CITY OF LOS ANGELES
CALIFORNIA

CITY ETHICS COMMISSION

DENNIS E. CURTIS
PRESIDENT
TREESA WAY DRURY
EVE FISHER
EDWIN GUTHMAN
ANN PETRONI

BENJAMIN BYCEL
EXECUTIVE DIRECTOR

CITY ETHICS COMMISSION
201 NO. LOS ANGELES ST.
L.A. MALL - SUITE 2
LOS ANGELES, CA 90012
(213) 237-0310
(213) 485-1093 FAX

THE LOS ANGELES CITY ETHICS COMMISSION

INTRODUCTION

In June 1990 the voters of the City of Los Angeles approved the most comprehensive package of local government ethics and campaign finance laws in the country to help restore public trust in government and the electoral process.

The new laws created a five member Ethics Commission to administer and enforce the laws relating to governmental ethics, campaign finance, and lobbyist activities. The purpose of the ethics law is to assure that government decisions are made in the public interest, untainted by any consideration of private gain. In addition, the voters approved a system of partial public financing for City Elections. The purpose of the public matching funds system is to provide more competitive elections, reduce campaign spending, and decrease the powers of special interests.

The Commission and its full time staff administer mandated programs, introduce new ethics reforms, conduct investigations, monitor campaign activities, analyze and summarize disclosure reports, and advice City officials and the public about the law.

SPECIFIC PROGRAMS

1. **Public Matching Funds**. The Commission administers the public matching funds program which allows qualified candidates to receive limited public funds for their campaigns in exchange for limiting their campaign spending. The purposes of the program are 1) to provide more competitive elections; 2) reduce the impact of special interest money on political campaigns; 3) limit the amount of money spent in elections; and 4) reduce the amount of time candidates spend fundraising so they can focus on issues and interacting with citizens.

2. **Campaign Disclosure and Compliance Audits**. The Commission receives the campaign statements filed by candidates and officeholders disclosing their contributions and expenditures. The Commission reviews and summarizes these reports for the public. In addition, the Commission audits campaign committees to insure that campaign contributions and expenditures are legal.

3. **Investigations, Complaints and Enforcement.** The Commission investigates complaints filed by the public regarding violations of ethics, campaign finance, and lobbying laws, as well as any misuse of government funds. The Commission may also initiate its own investigations. A key component of the enforcement program is the 24-hour Whistle-Blower Hotline, which is available to anyone who wants to report violations of any law or regulation by a City official or employee. The Commission has the authority to initiate administrative enforcement actions and cooperate with and refer cases to other investigative and law enforcement agencies. The Commission may also file a civil lawsuit against an alleged violator.

4. **Financial disclosure rules for elected City officials and employees**. The Governmental Ethics Ordinance established comprehensive financial disclosure requirements for elected City officials, commissioners, and City employees who make or influence government decisions. The financial disclosure reports are public documents which inform the public of any potential or actual conflicts of interest between a City official's public duties and personal financial interests.

5. **Gifts, travel expense and honoraria restrictions for elected City officials and employees**. The Governmental Ethics Ordinance places restrictions on gifts, honoraria, or income that a City official may accept from a person or entity that does business with the City, has a matter pending before the City, or lobbies the City.

6. **Lobbyist rules and regulations**. The Ethics Commission is the agency charged with administering and enforcing the City's municipal lobbying ordinance. The ordinance requires registration and regular reporting by lobbyists and lobbying firms that are hired by private interests to influence City decisions. In June 1994, the City Council approved Commission-sponsored revisions to the law to streamline and strengthen its requirements.

7. **Advice and Opinions**. The Ethics Commission staff assists City officials, candidates, campaign treasurers, lobbyists and members of the public in complying with the City's campaign finance, lobbying and ethics laws. The staff provides informal and formal written advice to clarify the applicability of the law to specific facts. In addition, the Commission itself issues formal written opinions, interpreting and clarifying provisions of the law.

8. **Education and Training**. The Commission believes that education and training are essential to an effective ethics program. Commission staff conducts training seminars for City officials, City employees and community organizations. In addition, the Commission provides informational materials about the laws and the work of the Commission and coordinates a speakers bureau for citizen groups.

Summary of Restrictions on Mass Mailings

CITY LAW

Definition

"Mass mailing" means more than 200 pieces of identical or nearly identical items, except that responses to an inquiry are not counted.

Prohibitions

No City official who has filed a declaration of intent to run for elective office (local, state or federal office) may produce or send on his or her behalf any mass mailing at public expense, until the election is over.

No mailings of holiday greetings at City expense, unless incidental to the official business of the letter.

STATE LAW

Definition

"Mass mailing" means:

- Item has the name, office, signature or picture of an elected official; and
- Design, production, and printing costs over $50 are paid with public moneys OR any distribution costs are paid for with public moneys; and
- More than 200 substantially similar items are sent in a calendar month, except that repsonses to unsolicited requests are not counted.

Prohibition

No mass mailing may be delivered, by any means, to a recipient's residence, place of employment or post office box; however, mass mailing of the following items is not prohibited:

1. Items where the elected official's name appears only in the letterhead or logotype of stationery, forms, or envelopes.
2. Press release sent to members of the media.
3. Official business comunications between government agencies.
4. Communications sent within your City agency.
5. Tax bills and checks, if the elected official's name is necessary for collection or payment purposes.
6 Legal notices, ballot, or ballot argument.
7. Telephone directory, organization chart or roster, if the type size and typestyle of an elected official's name is the same as that for all other individuals listed.
8. *Meeting notice: announcement sent to an elected official's constituents about a public meeting directly related to the official's governmental duties and attended by the elected official.
9. *Meeting notice: announcement of an official City event or events for which the City is providing financial or in-kind support.
10. Council agendas, committee agendas, etc.
11. *Business cards.

* Only permitted if it does not include the elected official's photograph and does not include more than one reference to the elected official's name.

EXAMPLES

A. Prohibited: Councilmember running for state elective office sends a meeting notice about a public meeting in his or her District in which he or she intends to participate.

B. Permitted: Mayor mails an unsigned announcment on his official letterhead to 500 persons in Lakeview Terrace regarding his position on Lopez Canyon landfill (only reference to the Mayor's name or his or her office is in the letterhead).

C. Permitted: Councilmember sends 250 signed letters in response to specific, unsolicited inquiries received about a governmental matter.

D. Prohibited: Mayor sends a directory of City agencies and services to several hundred constituents with only his name on the face of the directory.

E. Permitted: City Attorney sends a directory of City agencies and services to several hundred constitutents with no picture and no reference to his or her name or office except in the listing itself.

F. Prohibited: Councilmember sends to interested parties 200 or more copies of a videotape of a Council meeting showing his or her position on an issue.

References:

L.A. Muncipal Code § 49.60 et. seq.
Government Code § 89001.
Calif. Code of Regulations, Title 2, § 18901.

Inquiries should be addressed in writing to Anthony Alperin, Office of the City Attorney.

CITY OF LOS ANGELES

MUNICIPAL LOBBYING ORDINANCE

(Los Angeles Municipal Code Sections 48.01 et seq., as amended)

Prepared by the
Los Angeles City Ethics Commission
Revised August, 1994

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City of Los Angeles
Municipal Lobbying Ordinance

Repealed and Re-enacted Article 8 of Chapter IV
of the Los Angeles Municipal Code
(Effective August 10, 1994)

SEC. 48.01. Title and Findings.

A. **Title**. This Article shall be known and may be cited as the Los Angeles Municipal Lobbying Ordinance.

B. **Findings**. The following findings are adopted in conjunction with the enactment of this Article:

1. City government functions to serve the needs of all citizens.

2. The citizens of the City of Los Angeles have a right to know the identity of interests which attempt to influence decisions of City government, as well as the means employed by those interests.

3. All persons engaged in compensated lobbying activities aimed at influencing decisions by City government must, when so engaged, be subject to the same regulations, restrictions and requirements, regardless of their background, training or other professional qualifications or license.

4. Complete public disclosure of the full range of activities by and financing of lobbyists and those who employ their services is essential to the maintenance of citizen confidence in the integrity of local government.

5. It is in the public interest to ensure that lobbyists do not misrepresent facts, their positions, or attempt to deceive officials through false communications, do not place City officials under personal obligation to themselves or their clients, and do not represent that they can control the actions of City officials.

6. It is in the public interest to adopt these amendments to the City's regulations of lobbyists to ensure adequate and effective disclosure of information about efforts to lobby City government.

SEC. 48.02. Definitions. The following terms used in this Article shall have the meanings set forth below. Other terms used in this Article shall have the meanings set forth in the California Political Reform Act of 1974, as amended, and in the regulations of the California Fair Political Practices Commission, as amended, if defined therein.

"**Activity expense**" means any payment, including any gift, made to or directly benefitting any City official or member of his or her immediate family, made by a lobbyist, lobbying firm, or lobbying employer.

"**Administrative proceeding**" means a classification of municipal legislation involving the granting, denial, revocation, restriction or modification of a license, permit or entitlement for use (including all land use permits not approved by the adoption of a general plan amendment or ordinance), if a person other than the administrative client makes a direct communication with a City official on behalf of the client in connection with the proceeding.

"**Agency**" means the City of Los Angeles or any department, bureau, office, board, commission, other agency of the City, or any other government agency, required to adopt a conflict of interest code subject to City Council approval, and includes the City's Community Redevelopment Agency and the Los Angeles City Housing Authority.

"**Attempting to influence**" means promoting, supporting, opposing or seeking to modify or delay any action on municipal legislation by any means, including but not limited to providing or using persuasion, information, statistics, analyses or studies. A person attempts to influence municipal legislation when he or she communicates directly with any agency officer or employee for the purpose of influencing a decision.

"**City official**" means any elected or appointed City officer, member, employee or consultant (who qualifies as a public official within the meaning of the Political Reform Act) of any agency, who, as part of his or her official duties, participates in the consideration of any municipal legislation other than in a purely clerical, secretarial or ministerial capacity.

"**Client**" means both (1) the person who compensates a lobbyist or lobbying firm for the purpose of attempting to influence municipal legislation and (2) the person on whose behalf a lobbyist or lobbying firm attempts to influence such municipal legislation, even if the lobbyist or lobbying firm is compensated by another person for such representation. However, if a lobbyist or lobbying firm represents a membership organization and individual members of that organization, an individual member is not a client solely because the member is individually represented by the lobbyist or lobbying firm unless the member makes a payment for such representation in addition to usual membership fees.

"Client, Administrative" means a person who is represented by another person in an administrative proceeding as defined by this Article, where the person making the representation receives or becomes entitled to receive $4,000 or more in compensation during any calendar quarter to communicate directly (either personally or through his or her agents) for the purpose of attempting to influence such proceeding.

"Compensated Services" means services for which compensation was paid during a reporting period or for which the lobbyist or lobbying firm became entitled to compensation during that period.

"Elected City officer" means the Mayor, City Attorney, Controller and Member of the City Council.

"Lobbying firm" means any entity, including an individual lobbyist, which receives or becomes entitled to receive compensation of $4,000 or more during any calendar quarter to communicate directly (either personally or through its agents), for the purpose of attempting to influence municipal legislation on behalf of any other person, provided any partner, owner, shareholder, officer or employee of the entity qualifies as a lobbyist. Compensation does not include reimbursement of or payment for reasonable travel expenses. An entity receives compensation within the meaning of this definition whether or not the compensation is received solely for activities regulated by this Article or is received for other activities as well; however, only that portion of compensation received for the lobbying activities shall count toward the qualification threshold. An entity "becomes entitled to receive compensation" when the entity agrees to provide services regulated by this Article, or performs those services, whether or not payment is contingent on the accomplishment of the client's purposes.

"Lobbyist" means any person who receives or becomes entitled to receive $4,000 or more in compensation during any calendar quarter to communicate directly (either personally or through his or her agents) for the purpose of attempting to influence municipal legislation on behalf of any other person. Compensation does not include reimbursement of or payment for reasonable travel expenses. A person receives compensation within the meaning of this definition whether or not the compensation is received solely for activities regulated by this Article or is received for both lobbying activities and other activities as well. However, only that portion of compensation paid for the lobbying activities shall count toward the qualification threshold. A lobbyist "becomes entitled to receive compensation" when the lobbyist, or his or her lobbying firm, agrees to provide services regulated by this Article, or performs those services, regardless of whether payment is contingent on the accomplishment of the client's purposes. A lobbyist includes a person who owns an investment in a business entity if that person attempts to influence municipal legislation on behalf of the business entity and if that person acquires the investment as compensation for his or her lobbying services or in contemplation of performing those services.

"**Lobbyist employer**" means an entity, other than a lobbying firm, that employs a lobbyist in-house to lobby on its behalf.

"**Major filer**" means any person who makes payments or incurs expenditures totaling $5,000 or more during any calendar quarter for public relations, advertising or similar activities, incurred for the purpose of soliciting or urging other persons to directly communicate with any City official in order to attempt to influence action on municipal legislation. However, a "major filer" does not include a lobbyist, lobbyist employer, lobbying firm. Expenditures and payments for regularly published newsletters or other routine communications between an organization and its members shall not be counted for the purposes of this definition.

"**Municipal legislation**" means any matter proposed or pending before any agency (as defined in this Article), including an administrative proceeding, if the Mayor, the City Council, any of its committees, any agency board, commission, committee, or general manager, or any agency officer or employee charged by law with holding a hearing and making a decision, is charged by law with making a final decision on the matter. However, "municipal legislation" does not include any of the following:

(1) A request for advice or for an interpretation of laws, regulations, City approvals or policies, or a direct response to an enforcement proceeding with the City Ethics Commission.

(2) Any ministerial action.

(3) Any action relating to the establishment, amendment, administration, implementation or interpretation of a collective bargaining agreement or memorandum of understanding between an agency and a recognized employee organization, or a proceeding before the Civil Service Commission or the Employee Relations Board. Further, it does not include management decisions as to the working conditions of represented employees that clearly relate to the terms of such collective bargaining agreement or memorandum of understanding. Nevertheless, "municipal legislation" does include any action relating to collective bargaining taken by the City Council, any of its committees or members (including the staffs of such members), or by the Mayor or his or her office.

"**Person**" means any individual, business entity, trust, corporation, association, committee, or any other organization or group of persons acting in concert.

SEC. 48.03. Exemptions. The following persons are exempt from the requirements of this Article:

A. Any public official acting in his or her official capacity, and any government employee acting within the scope of his or her employment.

B. A newspaper or other regularly published periodical, radio or television station or network, including any individual who owns, publishes or is employed by such newspaper, periodical or station or network, when, in the ordinary course of its business, it publishes or broadcasts news, editorials or other comments, or paid advertising, which directly or indirectly attempts to influence action on municipal legislation. This exemption does not apply to any other action by any such newspaper, periodical, station or network, or by any such person, to attempt to influence municipal legislation, if such activity is otherwise regulated by this Article.

C. A person acting without any compensation or consideration other than reimbursement or payment of reasonable travel expenses.

D. Any person whose only activity is submitting a bid on a competitively bid contract, submitting a written response to or participating in an oral interview for a request for proposals or qualifications, or negotiating the terms of a written agreement with any City agency if selected pursuant to that bid or request for proposals or qualifications. Except with regard to persons covered by subsections E and F, this exemption shall not apply to any person who attempts to influence the action of the Mayor or Mayor's staff, any member of the City Council or their staffs, or any board or commission member with regard to any such contract.

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, which receives funding from any federal, state or local government agency for the purpose of representing the interests of indigent persons and whose primary purpose is to provide direct services to those persons, if the individual or individuals represented by the organization before any City agency provide no payment to the organization for that representation. This exemption shall not apply to direct contacts with a City official in other than a publicly noticed meeting, for the purpose of attempting to influence a City decision with regard to any City funding which the organization is seeking.

F. Any person employed by an organization described in Subsection E with respect to his or her activities as an employee of the organization.

SEC. 48.04. Prohibitions. No lobbyist or lobbying firm subject to the requirements of this Article shall:

A. Do any act with the purpose and intent of placing any City official under personal obligation to the lobbyist, the lobbying firm, or to the lobbyist's or firm's employer or client.

B. Fraudulently deceive or attempt to deceive any City official with regard to any material fact pertinent to any pending or proposed municipal legislation.

C. Cause or influence the introduction of any municipal legislation for the purpose of thereafter being employed or retained to secure its passage or defeat.

D. Cause any communication to be sent to any City official in the name of any non-existent person or in the name of any existing person without the consent of such person.

E. Make or arrange for any payment to a City official, or act as an agent or intermediary in making any such payment by any other person, if the arrangement or the payment would violate any provision of the City's Governmental Ethics Ordinance (Los Angeles Municipal Code Section 49.5.1, et seq.).

SEC. 48.05. Recordkeeping Responsibilities of Regulated Persons. Lobbyists, lobbying firms, lobbyists employers, major filers and administrative clients shall prepare and retain detailed records (including all books, papers and other documents) needed to comply with the requirements of this Article. Such records shall be retained for not less than four years.

SEC. 48.06. Registration/Disclosure Forms. All lobbyist and lobbying firm registrations, and all other statements and reports required by this Article, other than the notification required by Section 48.05, shall be verified under penalty of perjury and shall be filed in duplicate (original and copy) on forms provided by the City Ethics Commission.

SEC. 48.07. Registration.

A. **Requirement**. Every lobbyist and lobbying firm shall register with the City Ethics Commission within 10 days after qualifying as a lobbyist. If a person is not registered as a lobbyist or lobbying firm, but is performing acts which would require that person to so register, that person may continue to act as a lobbyist or lobbying firm so long as the person registers with the City Ethics Commission within 10 days after becoming aware of the obligation to register.

B. **Duration of Status**. A person who registers as a lobbyist or lobbying firm shall retain that status through January 15 of the following calendar year unless and until that person terminates the status as set forth below. A person who continues to qualify as a lobbyist or lobbying firm on January 15 of the year after initial registration shall renew that registration on or before January 15.

C. **Registration Fees**. Every lobbyist shall pay an annual registration fee of $300 plus $50 for each client (on whose behalf the lobbyist is attempting to influence municipal legislation) identified on the registration. Persons who initially register during the last quarter of a calendar year (September through December) shall pay prorated registration fees of $225 for each lobbyist plus $37 for each client. A lobbying firm by which a lobbyist is employed or of which a lobbyist is an officer or owner instead may pay that fee for each lobbyist filing a registration in connection with that firm.

D. **Contents of Registration Statements-Lobbyists**. Registration statements of lobbyists shall contain the following:

1. The lobbyist's name, business address, and business telephone number.

2. The lobbying firm, if any, of which the lobbyist is an employee, partner, officer or owner.

3. If the lobbyist is not an employee, partner, officer or owner of a lobbying firm, the name, address and telephone number of the lobbyist's employer, together with a letter from the employer authorizing the lobbyist to lobby on behalf of the employer.

4. A statement that the lobbyist has reviewed and understands the requirements of this Article.

5. Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this Article.

E. **Contents of Registration Statements-Lobbying Firms**. Registration statements of lobbying firms (including individual contract lobbyists) shall contain the following:

1. The name, address and telephone number of the firm.

2. The name of each lobbyist who is a partner, owner, shareholder, officer or employee of the firm.

3. The registration statement prepared by each lobbyist so identified, appended to the statement.

4. For each client for which the firm provides lobbying services within the meaning of this Article:

(a) The client's name, business or residence address and business or residence telephone number.
(b) The period during which the representation will occur.
(c) The item or items of municipal legislation for which the firm was retained to represent the client, or, if no specific items of municipal legislation can be identified, a description of the type of municipal legislation for which the firm was retained to represent the client.
(d) A letter from the client authorizing the firm to represent the client.
(e) The name of the person or persons responsible for preparing the statement.
(f) Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this Article.

F. **Filing Registration Statements**. Every lobbying firm shall file its registration statement with the City Ethics Commission and shall attach the registration statements of all lobbyists who are partners, owners, shareholders, officers or employees of the firm. Every lobbyist who is not a partner, owner, shareholder, officer or employee of a lobbying firm shall file his or her registration statement with the City Ethics Commission.

G. **Amendments to Registrations**. Lobbyists and lobbying firms shall file amendments to their registration statements within 10 days of any change in information required to be set forth on the registration statement.

H. **Termination**. Any person registered under this Article shall file a Registration Termination form with the City Ethics Commission within 20 days after ceasing all activity governed by this Article.

SEC. 48.08. Quarterly Disclosure Reports.

A. **Reporting Requirement.** Every lobbyist, lobbying firm, lobbyist employer, major filer and administrative client shall file the quarterly disclosure reports required by this section on or before the last business day of the month following each calendar quarter.

1. All lobbyists and lobbying firms shall file quarterly reports for every calendar quarter during which they retain that status. Lobbyist employers shall file quarterly reports for every calendar quarter during which any individual employed by that employer retains the status as a lobbyist. Information required to be disclosed concerning lobbying receipts or expenditures shall be disclosed either by the lobbyist or by his or her lobbying firm or employer.

2. Major filers shall file quarterly reports for every calendar quarter during which they engaged in lobbying activity or made payments required to be reported. Administrative clients shall file quarterly reports for every calendar quarter during which a person representing the client received payments required to be reported, unless all such information would otherwise be reported on that person's report as a lobbyist employer or the report of the administrative clients' lobbying firm. At least five days before the reporting deadline, an adminstrative client shall inquire of the lobbying firm which represented that client in an administrative proceeding during the reporting period whether the firm will report such information on that firm's quarterly report. At least five days before the reporting deadline, the lobbying firm shall notify the client it represented in an administrative proceeding during the reporting period whether the firm will report such information on that firm's quarterly report.

3. Quarterly reports shall disclose all required information for the calendar quarter immediately prior to the month in which the report is required to be filed. The reports shall be filed in duplicate (one original and one copy).

B. **Quarterly Reports by Lobbyists - Contents.** Quarterly reports by lobbyists shall contain the following information:

1. The lobbyist's name, business address and business telephone number.

2. The lobbying firm, if any, of which the lobbyist is a partner, owner, shareholder, officer or employee.

3. If the lobbyist is not a partner, officer or owner of a lobbying firm, the name, address and telephone number of the lobbyist's employer.

4. The date, amount and description of each activity expense of $25 or more made by the lobbyist during the reporting period, the name and title of the City official benefitting from the expense, the name and address of the payee, and the client, if any, on whose behalf the expense was made. An activity expense shall be considered to be made on behalf of a client if the client requested or authorized the expense or if the expense was made in connection with an event at which the lobbyist attempted to influence the official on behalf of the client.

5. The total amount of activity expenses made by the lobbyist during the reporting period, whether or not itemized.

6. The date, amount and name of any elected City officer, candidate for elective City office, or his or her controlled committee who received any contribution of $100 or more made or delivered by the lobbyist, or in connection with which the lobbyist acted as an intermediary, during the reporting period.

7. If, during the quarterly reporting period, the lobbyist provided compensated services, including consulting services, to the campaign of any candidate for elective City office, or to a campaign for or against any City ballot measure, the name of the candidate, the elective City office sought by the candidate, the ballot number or letter of the ballot measure, the date of the election, the amount of compensation earned for the compensated services, and a description of the nature of the services provided. Such information shall be reported if the lobbyist personally provided the services, or if the services were provided by a business entity in which the lobbyist owns at least a 10% investment, whether the compensation was provided directly to the lobbyist or to such business entity.

8. If, during the quarterly reporting period, the lobbyist provided compensated services under contract with the City or with any City agency, including consulting services, the amount of compensation received, the agency for which the services were provided, a description or other identification of the contract and the nature of the services provided. Such information shall be reported if the lobbyist personally provided the services, or if the services were provided by a business entity in which the lobbyist owns at least a 10% investment, whether the compensation was provided directly to the lobbyist or to such business entity.

9. Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this Article.

C. **Quarterly Reports by Lobbying Firms - Contents.** Quarterly reports by lobbying firms, including individual contract lobbyists, shall contain the following information:

1. The name, address and telephone number of the firm.

2. The name of each lobbyist who is a partner, owner, shareholder, officer or employee of the firm and whose quarterly report is attached as to the report.

3. The original quarterly report of each lobbyist identified pursuant to subdivision 2 above, attached as an exhibit to the report of the lobbying firm.

4. The name, address and telephone number of each client represented by the firm during the reporting period; a description of each item of municipal legislation for which the firm or its lobbyists represented the client during the reporting period; the total amount of payments received by the firm from each client (including all fees, reimbursements for expenses and other payments) during the reporting period for such representation.

5. The total payments received from clients by the firm during the reporting period in connection with the firm's representation of clients on municipal legislation.

6. The date, amount and description of each activity expense of $25 or more made by the lobbying firm during the reporting period, the name and title of the City official benefitting from the expense, the name and address of the payee, and the client, if any, on whose behalf the expense was made. An activity expense shall be considered to be made on behalf of a client if the client requested or authorized the expense or if the expense was made in connection with an event at which the lobbying firm attempted to influence the official on behalf of the client.

7. The total amount of activity expenses made by the lobbying firm during the reporting period, whether or not itemized.

8. The total amount of expenses incurred in connection with attempts by the firm to influence municipal legislation. These expenses shall include payments to lobbyists employed by the firm and to employees of the firm, other than lobbyists, who engaged in attempts to influence municipal legislation during the reporting period. These expenses shall include all expenses attributable to attempts to influence municipal legislation other than overhead and other expenses that would not be incurred but for the attempts to influence.

9. The date, amount and name of any elected City officer, candidate for elective City office, or his or her controlled committee who received any contribution of $100 or more made or delivered by the lobbying firm, or in connection with which the firm acted as an intermediary, during the reporting period.

10. If, during the quarterly reporting period, the lobbying firm provided compensated services, including consulting services, to the campaign of any candidate for elective City office, or to a campaign for or against any City ballot measure, the name of the candidate, the elective City office sought by the candidate, the ballot number or letter of the ballot measure, the date of the election, the amount of compensation earned for the compensated services and a description of the services provided.

11. If, during the quarterly reporting period, the lobbying firm provided compensated services under contract with the City or with any agency, including consulting services, the amount of compensation received, the agency for which the services were provided, a description or other identification of the contract and the nature of the services provided.

12. The name, address and telephone number of the person responsible for preparing the report.

13. Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this Article.

D. **Quarterly Reports by Lobbyist Employers - Contents**. Quarterly reports by lobbyist employers shall contain the following information:

1. The name, address and telephone number of the entity filing the report.

2. The name of each lobbyist who is employed by the entity and whose quarterly report is attached as an exhibit to the report.

3. The original quarterly report of each lobbyist identified pursuant to subdivision 2 above, attached as an exhibit to the report of the lobbyist employer.

4. Total payments during the reporting period to lobbyists employed by the entity. Such payments shall include solely payments for compensation and reimbursement of expenses relating to the lobbyists' attempts to influence municipal legislation.

5. Total payments to employees of the entity, other than lobbyists, who engaged in attempts to influence municipal legislation during the reporting period. Such payments shall include payments for compensation and reimbursement of expenses relating to such persons' attempts to influence municipal legislation.

6. Total payments for expenses incurred in connection with attempts by the entity during the reporting period to influence municipal legislation. These expenses shall include all expenses attributable to attempts to influence municipal legislation other than overhead and other expenses that would not be incurred but for the attempts to influence.

7. A description of each item of municipal legislation which the entity attempted to influence during the reporting period.

8. The date, amount and description of each activity expense of $25 or more made by the lobbyist employer during the reporting period, the name and title of the City official benefitting from the expense, and the name and address of the payee.

9. The total amount of activity expenses made by the lobbyist employer during the reporting period, whether or not itemized.

10. The date, amount and name of any elected City officer, candidate for elective City office, or his or her controlled committee who received any contribution of $100 or more made by the lobbyist employer, or in connection with which the entity acted as an intermediary, during the reporting period.

11. The name, address and telephone number of the person responsible for preparing the report.

12. Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this Article.

E. **Quarterly Reports by Major Filers - Contents**. Quarterly reports by major filers shall contain the following information:

1. The name, address and telephone number of the person filing the report.

2. A description of each item of municipal legislation which the entity attempted to influence during the reporting period.

3. The total payments made during the reporting period in connection with direct communications with any City official for the purpose of attempting to influence municipal legislation.

4. The total of payments made during the reporting period for the purpose of soliciting or urging other persons to directly communicate with any City official in order to influence or attempt to influence action on municipal legislation.

5. The name, address and telephone number of the person responsible for preparing the report.

6. Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this Article.

F. Quarterly Reports of Administrative Clients - Contents. Quarterly reports by administrative clients shall contain the following information:

1. The name, address, and telephone number of the person filing the report.

2. The name, address and telephone number of each person retained by the administrative client to represent the client in one or more administrative proceedings. Such information shall be required to be disclosed by the client only if the person receives or becomes entitled to receive $4,000 or more during a calendar quarter for such representation and only if the person appeared for the client at the hearings or otherwise communicated directly with the decisionmaker in connection with the proceeding.

3. The total amount of fees and other payments for the services referenced in subdivision 2 above paid to each person identified in the report, and the total amount of reimbursements for expenses in connection with such services paid to each such person.

4. The identification of each administrative proceeding in connection with which each person provided services requiring disclosure.

5. The name, address and telephone number of the person responsible for preparing the report.

6. Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this Article.

SEC. 49.09. Compliance Measures and Enforcement.

A. **Audits**. The City Ethics Commission shall have the authority to conduct audits of reports and statements filed pursuant to this Article. Such audits may be conducted on a random basis or when the City Ethics Commission staff has reason to believe that a report or statement may be inaccurate or has not been filed.

B. **Criminal Penalties**.

1. Any person who knowingly or willfully violates any provision of this Article is guilty of a misdemeanor. Any person who knowingly or willfully causes any other person to violate any provision of this Article, or who knowingly or willfully aids and abets any other person in the violation of any provision of this Article, is guilty of a misdemeanor.

2. Prosecution for violation of any provision of this Article must be commenced within one year after the date on which the violation occurred.

3. No person convicted of a violation of this Article may act as a lobbyist or otherwise attempt to influence municipal legislation for compensation for one year after such conviction.

C. **Civil Enforcement**.

1. Any person who knowingly violates any provision of Section 48.04 shall be liable in a civil action brought by the City Attorney. Any person who intentionally or negligently violates any other provisions of this Article shall be liable in a civil action brought by the City Attorney. Failure to properly report any receipt or expenditure may result in civil penalties not to exceed the amount not properly reported, or $ 2,000, whichever is greater. Any other violation may result in civil penalties no greater than $ 2,000. If the court determines that a violation was intentional, the court may order that the defendant be prohibited from acting as a lobbyist or otherwise attempting to influence municipal legislation for one year.

2. In determining the amount of liability pursuant to this subsection, the court shall take into account the seriousness of the violation and the degree of culpability of the defendant.

3. If two or more persons are responsible for any violation, they shall be jointly and severally liable.

4. No civil action alleging a violation of this Article shall be filed more than four years after the date the violation occurred.

D. **Injunction**. The City Attorney on behalf of the people of the City of Los Angeles may seek injunctive relief to enjoin violations of or to compel compliance with the provisions of this Article.

E. **Administrative Penalties**. The City Ethics Commission may impose penalties and issue orders for violation of this Article pursuant to its authority under City Charter Section 600 O.

F. **Late Filing Penalties**. In addition to any other penalty or remedy available, if any person fails to file any report or statement required by this Article, after any deadline imposed by this Article, such person shall be liable to the City Ethics Commission in the amount of twenty-five dollars ($25) per day after the deadline until the statement or report is filed, up to a maximum amount of $500. Liability need not be enforced by the Commission if its Executive Officer determines that the late filing was not willful and that enforcement of the penalty would not further the purposes of this Article. No liability shall be waived if a statement or report is not filed within 10 days after the Commission has sent specific written notice to the filer of the filing requirement.

SEC. 48.10. Ethics Commission Reports. As soon as practicable after the close of each quarterly reporting period, the City Ethics Commission shall prepare a report to the Mayor and City Council of lobbying activity which occurred during the reporting period. Such report shall be in a form which, in the opinion of the Commission, best describes the activities, receipts and expenditures of persons subject to the requirements of this Article.

SEC. 48.11. Severability. If any provision of this Article, or its application to any person or circumstance, is held invalid by any court, the remainder of this Article and its application to other persons and circumstances, other than that which has been held invalid, shall not be affected by such invalidity, and to that extent the provisions of this Article are declared to be severable.

lobfinal.894

Los Angeles Municipal Lobbying Ordinance

Forms and Instructions

For
- Lobbyists
- Lobbying Firms
- Lobbyist Employers
- Administrative Clients
- Major Filers

Prepared by the
Los Angeles City Ethics Commission
201 No. Los Angeles Street, L.A. Mall, Suite 2
Los Angeles, CA 90012
Phone (213) 237-0310
FAX (213) 485-1093

August 1994

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FORMS

Lobbyist Registration Form *(Form CEC 30)*
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BRIEF SUMMARY OF THE LOS ANGELES LOBBYING ORDINANCE

The City's lobbying ordinance (Los Angeles Municipal Code Section 48.01 et seq., as amended) requires registration by individuals and entities that receive more than a specified amount in compensation to influence City decisions. Registered lobbyists and lobbying firms, as well as lobbyist employers, administrative clients, and major filers, must report their lobbying activities on a quarterly basis.

The ordinance summarized here applies only to lobbying the *City* of Los Angeles, including the Community Redevelopment Agency and the Housing Authority. (For information on lobbying regulations in jurisdictions other than the City of Los Angeles, see page two).

Lobbyists and lobbying firms must register with the City Ethics Commission within 10 days after receiving or becoming entitled to receive $4,000 during a calendar quarter in lobbying compensation. Registration costs $300 for each lobbyist and $50 for each client represented. Registrations last for one year, and are renewed each January 15. [**Lobbyist employers** are not required to register but must file quarterly reports].

Major filers, and administrative clients are *not* required to register, but they are required to file periodic reports that detail their lobbying activities (see page 7).

Late filing penalties accrue at $25 per day up to $500 for any statement or report that is not filed by the appropriate deadline.

KEY DEFINITIONS (SEE L.A.M.C. SEC. 48.02 FOR FULL TEXT)

Lobbyist
Any individual who receives or becomes entitled to receive $4,000 or more in compensation during any calendar quarter to lobby on behalf of any other person.

Lobbying Firm
Any entity, including an individual contract lobbyist, which receives or becomes entitled to receive $4,000 or more during a calendar quarter to lobby, provided any partner, owner, shareholder, officer or employee of the entity qualifies as a lobbyist.

Lobbyist Employer
Any entity, other than a lobbying firm, that employs a lobbyist in-house to lobby on its behalf.

Client
Both (1) the person who compensates a lobbyist or lobbying firm for the purpose of attempting to influence municipal legislation and (2) the person on whose behalf a lobbyist or lobbying firm attempts to influence such municipal legislation, even if the lobbyist or lobbying firm is compensated by another person for such representation. (A client, however, does *not* include any individual member of a membership organization which is represented by the lobbyist unless that member makes a payment for that representation in addition to usual membership fees).

Administrative Client
A person who is represented by another person in an administrative proceeding (as defined in the ordinance) where the person making the representation receives or becomes entitled to receive $4,000 or more in compensation during any calendar quarter to communicate directly (either personally or through agents) for the purpose of attempting to influence the proceeding.

Major Filer
Any person who makes payments or expenditures totaling $5,000 or more during a calendar quarter for public relations, advertising or similar activities, incurred for the purpose of soliciting or urging other persons to communicate directly with any City official to influence action on municipal legislation. (A major filer, however, does not include a lobbyist, lobbyist employer or lobbying firm.)

FOR INFORMATION ON LOBBYING REGULATIONS IN OTHER JURISDICTIONS

Los Angeles	
Metropolitan Transit Authority (MTA)	
Ethics/Lobbyist Registration Unit	(213) 244-6303
County of Los Angeles	
Board of Supervisors Executive Office	(213) 974-1093
State of California	
Fair Political Practices Commission	(916) 322-5662
Technical Assistance Division	

REGISTRATION

HOW TO REGISTER AS A LOBBYIST

Lobbyists must register with the City Ethics Commission within 10 days after qualifying as a lobbyist.

For registration and reporting purposes under City law, an independent contract lobbyist with one or more municipal lobbying clients is also treated as a "lobbying firm." In-house lobbyists who are paid only by their employer to provide municipal lobbying services are considered lobbyists affiliated with a "lobbyist employer."

The *Lobbyist Registration Form* is a simple form that identifies the lobbyist, his or her lobbying firm or lobbyist employer, the date the lobbyist qualified, and verifies that the lobbyist has read and understands the requirements of the City's lobbying law.

- ***If you are an independent contract lobbyist***

a. Complete the *Lobbyist Registration Form.*
b. Complete the *Lobbyist Firm Registration Form.*
c. Obtain a letter from each client authorizing you to lobby on the client's behalf (see sample on page six).
d. Attach the appropriate registration fees (see page 18). Checks must be made payable to the City Ethics Commission.
e. Submit items (a) through (d) to the City Ethics Commission within 10 days after qualifying as a lobbyist.

- ***If you are a lobbyist affiliated with a lobbyist employer***

a. Complete the *Lobbyist Registration Form.*
b. Obtain a letter from your employer authorizing you to lobby on its behalf (see sample on page six).
c. Attach the appropriate fees (see page 18). Checks must be made payable to the City Ethics Commission.
d. Submit items (a) through (c) to the City Ethics Commission within 10 days of qualifying as a lobbyist.

Note: Lobbyist employers are ***not*** required to register separately.

■ ***If you are a lobbyist affiliated with a lobbying firm***

a. Complete the *Lobbyist Registration Form*.
b. Submit the *Lobbyist Registration Form* to the person responsible for completing registration forms at your firm.

Additional Information

■ After registration, you must submit a quarterly report for each calendar quarter during which you are registered.

■ If any change occurs in the information you provided on your registration form, use a blank registration form to submit the amended information and indicate the effective date of the change.

Registration Termination

■ Once you have ceased all activity requiring registration, complete a *Lobbying Termination Form*. This form must be filed with the City Ethics Commission within 20 days after all activity has ceased or quarterly reports will continue to be required.

-- GIFT RESTRICTIONS --

No lobbyist or lobbying firm shall act as an agent or intermediary in the making of any gifts or arrange for the making of any gift by another person to any City official.

A City official may accept no more than $25 in a calendar year in gifts of office or other hospitality or other gifts of nominal value from a lobbyist or lobbying firm. Other than such gifts of no more than $25, City officials may not accept gifts from a lobbyist or lobbying firm.

A City official may not accept more than $100 in gifts from a restricted source -- other than a lobbyist and a lobbying firm -- in a calendar year.

L.A.M.C. Sec. 49.5.10

REGISTERING AS A LOBBYING FIRM

Lobbying firms must register with the City Ethics Commission within 10 days after a partner, owner, shareholder, officer or employee of the firm qualifies as a lobbyist. The *Lobbying Firm Registration Form* is a form that identifies all partners, owners, shareholders, officer or employees who qualify and specifies the dates they qualified as lobbyists.

The registration form also lists all clients for whom the firm provides municipal lobbying services. The registration form must be accompanied by a letter from each client stating that the firm is authorized to lobby on its behalf. (See sample on page 6). For each client listed, the firm must identify the specific item of municipal legislation for which it was retained to provide lobbying services. If no specific item can be identified, the firm must describe these interests.

■ ***How to Register as a Lobbying Firm***

a. Complete the *Lobbying Firm Registration Form*.
b. Attach a *Lobbyist Registration Form* for each partner, owner, shareholder, officer or employee who qualifies as a lobbyist.
c. Obtain a letter of authorization from each client.
d. Attach the appropriate registration fees (see page 18). Checks must be made payable to the City Ethics Commission.
e. Submit (a) through (d) to the City Ethics Commission within 10 days of qualifying as a lobbying firm.

Additional Information

■ The firm must designate an authorized officer, partner, owner or employee who is responsible for completing and verifying registration and reporting forms. Should this designation change, the firm must submit a registration form and indicate the name of the newly designated person and the effective date of the change.

■ To add a lobbyist to the firm's registration, use a blank *Lobbyist Firm Registration Form* to identify the new lobbyist and his or her position with the firm.

- If any other information changes on your firm's registration form once it has been submitted, use a blank *Lobbyist Firm Registration Form* to submit those changes along with their effective date.

Registration Termination

- Once any lobbyist or the firm has ceased all activity requiring registration, complete a *Lobbying Termination Form*. This form must be filed with the City Ethics Commission within 20 days after all activity has ceased or quarterly reports will continue to be required.

SAMPLE LETTER OF AUTHORIZATION

A B C CORPORATION

August 18, 1994

City Ethics Commission
201 No. Los Angeles Street
L.A. Mall, Suite 2
Los Angeles, CA 90012

To Whom It May Concern:

This letter authorizes Harry Hancock, Inc. to act as our representative in support of the proposed mixed-use development at 1st and Spring Streets which is being considered by the Los Angeles Planning Department and the City Council (Council File No. 93-12345).

Questions about this authorization should be directed to me at 213/555-1234.

Sincerely,

Larry LaBrea, Vice President

QUARTERLY REPORTING

Who Must Submit Quarterly Reports

Lobbyists and lobbying firms must file public disclosure reports for each calendar quarter during which the lobbyist is registered, regardless of that lobbyist's level of activity. The lobbyist's report is attached as a part of the firm's quarterly filing.

Lobbyist employers must also file public disclosure reports for each calendar quarter in which the in-house lobbyist is registered, regardless of that lobbyist's level of activity during the quarter. The lobbyist's report is attached as part of the employer's quarterly report.

Most clients do not have to file a quarterly report. Administrative clients, however, must file quarterly reports for each calendar quarter during which they engaged in activities or made payments required to be reported. If all information required to be reported on the administrative client quarterly report is otherwise disclosed on the report of a lobbying firm or lobbyist employer, however, the administrative client is *not* required to file a duplicate report.

Major filers must file quarterly reports for each calendar quarter in which they made payments required to be reported.

Note: Quarterly reports disclose all required information for the calendar quarter ending immediately prior to the month in which the report is required to be filed.

■ ***Submitting a Quarterly Lobbying Firm Report***

a. Complete a ***Lobbying Firm Quarterly Report*** form.
b. Attach a completed ***Lobbyist Quarterly Report*** form for each partner, owner, shareholder, officer or employee who qualifies as a lobbyist.
c. Submit (a) and (b) in duplicate to the City Ethics Commission on or before the last business day of the month following the end of the quarter.

WHAT TO REPORT - *Lobbyists*

The lobbyist's quarterly report itemizes:

- reportable campaign contributions made or delivered by the lobbyist, or for which the lobbyist acted as intermediary;
- activity expenses made or incurred by the lobbyist that were not reimbursed by the lobbying firm or the lobbyist's employer; and
- payments received for reportable compensated services.

Reportable Campaign Contributions

- The lobbyist must disclose any monetary and/or non-monetary contributions totaling $100 or more that he or she contributed, delivered, or acted as an intermediary for to any elected City officer, candidate for elective City office, or any controlled committee of an officeholder or candidate. Lobbyists must identify the date and amount of the contribution(s) and must identify each candidate or officeholder by name and office sought (if applicable), and the committee name and identification number.

Activity Expenses

- A lobbyist must itemize any payment of $25 or more, including any gift, that he or she made to or which in whole or in part directly benefitted any City official or a member of that official's immediate family. For purposes of this requirement, "immediate family" means a spouse and/or dependent child. (Such payments include expenditures for food, beverage, and other gifts, but do not include campaign contributions). The lobbyist must disclose the date and description of the expense; the name and title of the person benefitting from the expense; and the name and address of the payee.

- Lobbyists must also disclose the client, if any, on whose behalf the activity expense was made. An activity expense is considered to have been made on behalf of a client if the client requested or authorized the expense or if the expense was made in connection with an event at which the lobbyist attempted to influence the official on behalf of the client.

- The lobbyist must also disclose the total amount of all activity expenses made during the quarter, whether or not they are itemized on the report.

- Activity expenses for which the lobbyist is reimbursed by a lobbying firm or lobbyist employer are not reportable by the lobbyist, but are required to be disclosed on the firm or employer's report.

Payments Received for Reportable Compensated Services

"Compensated services" are services for which compensation was paid during the quarter or for which the lobbyist became entitled to compensation during that period. Information about these payments received must be disclosed if the lobbyist personally provided the services, or if the services were provided by a business entity in which the lobbyist owns at least a ten percent investment, whether the compensation was provided directly to the lobbyist or to that business entity.

For Services Provided to a City Candidate, Officeholder or Committee

- A lobbyist must disclose any compensated services, including consulting services that he or she provided to a City candidate or committee, including the campaign of any candidate for City office, an officeholder committee, or any ballot measure committee. Information provided must include the name of the candidate or officeholder, office sought (if applicable), or ballot measure number or letter; the date of the election; a description of the services provided; and the amount of compensation received for those services.

For Services Provided to a City Agency

- A lobbyist must also disclose any compensated services, including consulting services, for which he or she received payment under contract to any City agency. Here, a lobbyist must disclose the name of the agency for which he or she provided the services; a description or other identification of the contract and the nature of the services provided; and the amount of the compensation received for those services.

- For purposes of this disclosure requirement, "agency" means any department, bureau, office, board, commission, or other agency of the City of Los Angeles, including any other government agency required to adopt a conflict of interest code subject to City Council approval. Agency also includes the City's Community Redevelopment Agency (CRA) and the Los Angeles City Housing Authority.

The lobbying firm's quarterly report:

- lists the name and the position (partner, owner, shareholder, officer or employee) of all lobbyists that are employed to lobby for the firm;

- identifies all municipal lobbying activities in which the firm engaged during the quarter and summarizes all compensation received and expenditures made in connection with those activities;

- itemizes reportable campaign contributions made or delivered by the lobbying firm, or for which the firm acted as an intermediary;

- itemizes other payments received for reportable compensated services;

- details activity expenses made or incurred by the lobbying firm; and

- includes the original quarterly report of each affiliated lobbyist as an exhibit to the firm's report.

Items of Municipal Legislation

- Items of municipal legislation which a lobbying firm is seeking to influence are itemized on the quarterly report for each client for whom the firm is lobbying. These items must be identified by council file number, ordinance or other number, or by a brief description of the matter.

Lobbying Payments Received from Clients

- Lobbying firms must provide the name, address, and telephone number for each client for whom it provided municipal lobbying services during the quarter even if the firm has not received all payments from that client during the reporting period.

- For each client the firm represented during the quarter, the firm must report the total amount of payments it received during the quarter, including all fees, reimbursements for expenses, and other payments for that representation.

- All payments received in connection with lobbying activity must be reported in the period in which they were received.

- If a payment received covers lobbying activities for more than one period, the firm's lobbying report must specify the period for which the payment is intended.

- The total of all payments received from all clients during the quarter in connection with the firm's representation on municipal legislation must also be disclosed.

Campaign Contributions

- The lobbying firm must disclose any monetary and/or non-monetary contributions totaling $100 or more that it contributed, delivered, or acted as an intermediary for to any elected City officer, candidate for elective City office, or any controlled committee of an officeholder or candidate. The firm must identify the date and amount of the contribution(s), and must identify each candidate or officeholder by name, office sought (if applicable), and the committee name and identification number.

Activity Expenses

- A lobbying firm must itemize any payment of $25 or more, including any gift, that it made to or which, in whole or in part, directly benefitted any City official or a member of that official's immediate family. For purposes of this requirement, "immediate family" means a spouse and/or dependent child. (Such payments include expenditures for food, beverage, and other gifts, but do not include campaign contributions). The firm must disclose the date, amount, and description of the expense; the name and title of the person benefitting from the expense; and the name and the address of the payee.

- The firm must also disclose the client, if any, on whose behalf the activity expense was made. An activity expense is considered to have been made on behalf of a client if the client requested or authorized the expense or if the expense was made in connection with an event at which the firm attempted to influence the official on behalf of the client.

- The firm must itemize all activity expenses which were paid, incurred, or arranged by the firm or will be paid directly by the firm.

- The firm must also disclose the total amount of all activity expenses made during the quarter, whether or not they are required to be itemized on the report.

- Activity expenses which are incurred by a lobbyist employed by the firm but that are not reimbursed by the firm are not required to be reported on the firm's report.

Payments Received for Reportable Compensated Services

- "Compensated services" are services for which compensation was paid during the quarter or for which the lobbying firm became entitled to compensation during that period.

For Services Provided to a City Candidate, Officeholder or Committee

- The firm must disclose any compensated services, including consulting services, that it provided to a City candidate or committee, including the campaign of any candidate for City office, an officeholder committee, or to any ballot measure committee. Information provided must include the name of the candidate or officeholder and office sought (if applicable) or ballot measure number or letter; the date of the election; a description of the services provided; and the amount of compensation received for those services.

For Services Provided to a City Agency

- The firm must also disclose any compensated services, including consulting services, for which it received payment under contract to any City agency. Here, the firm must disclose the name of the agency for which it provided the services; a description or other identification of the contract and the nature of the services provided; and the amount of the compensation received for those services.

- For purposes of this disclosure requirement, "agency" means any department, bureau, office, board, commission, or other agency of the City of Los Angeles, including any other government agency required to adopt a conflict of interest code subject to City Council approval (e.g. the City's Community Redevelopment Agency (CRA) and the Los Angeles City Housing Authority).

Expenditures to Influence Municipal Legislation

- A lobbying firm must disclose the total amount of expenses it incurred in connection with its attempts to influence municipal legislation. These expenses include: payments to lobbyists employed by the firm; payments to other employees of the firm who engaged in attempts to influence municipal legislation during the quarter; and all other expenses, other than overhead, that are attributable to the firm's municipal lobbying activities. Such payments also include any payments made to another lobbyist or lobbying firm for municipal lobbying services.

The lobbyist employer's quarterly report:

- lists the name of all employees that have qualified as lobbyists for the employer;

- identifies all municipal lobbying activities in which the employer engaged during the quarter and summarizes all expenditures made in connection with those activities;

- itemizes reportable campaign contributions made or delivered by the lobbyist employer, or for which the employer acted as an intermediary;

- details activity expenses made or incurred by the lobbyist employer; and

- includes the original quarterly report of each in-house lobbyist as an exhibit to the employer's report.

Items of Municipal Legislation

- Items of municipal legislation which a lobbyist employer is seeking to influence are itemized on the employer's quarterly report. These items must be identified by council file number, ordinance or other number, or by a brief description of the matter.

Expenditures to Influence Municipal Legislation

Payments to Lobbyists Employed by Entity

- A lobbyist employer must report the total payments it made during the reporting period to all in-house lobbyists it employed during the quarter. These payments include only compensation and reimbursement of expenses that relate to the lobbyists' municipal lobbying activities.

Payments to other Employees

- The employer must also report the total payments it made during the reporting period to all employees who have not qualified as lobbyists but who engaged in attempts to influence municipal legislation. These payments include

only compensation and reimbursement of expenses in connection with these employees' municipal lobbying activities.

All Other Expenditures Attributable to Attempts to Influence

- The lobbyist employer must disclose the total of all other expenditures it incurred in connection with its municipal lobbying activities during the quarter. These payments include all expenses (other than payments to lobbyists and other employees) that the employer incurred because of its municipal lobbying activities. Such expenditures, however, do not include overhead or other costs that the employer would incur without any municipal lobbying activity.

Campaign Contributions

- The lobbyist employer must disclose any monetary and/or non-monetary contributions totaling $100 or more that it contributed, delivered, or acted as an intermediary for to any elected City officer, candidate for elective City office, or any controlled committee of an officeholder or candidate. The employer must identify the date and amount of the contribution(s), and must identify each candidate or officeholder by name, office sought (if applicable), and the committee name and identification number.

Activity Expenses

- A lobbyist employer must itemize any payment of $25 or more, including any gift, that it made to or which, in whole or in part, directly benefitted any City official or a member of that official's immediate family. For purposes of this disclosure requirement, "immediate family" means a spouse and/or dependent child. (Such payments include expenditures for food, beverage, and other gifts, but do not include campaign contributions). The employer must disclose the date, amount, and description of the expense; the name and title of the person benefitting from the expense; and the name of the address of the payee.

- The employer must itemize all activity expenses which were paid, incurred, or arranged for by the employer. Activity expenses which are incurred by an in-house lobbyist employed by the lobbyist employer but that are *not* reimbursed by that employer are not reportable on the lobbyist employer report, but are required on the lobbyist's report.

- The lobbyist employer must also disclose the total amount of all activity expenses made during the quarter, whether or not they are required to be itemized on the report.

An administrative client's quarterly report:

- lists each administrative proceeding during the period in which the client was represented by a compensated representative;

- identifies each paid representative hired to influence the proceeding on behalf of the administrative client; and

- itemizes all payments made to the paid representative in connection with that proceeding.

Filing Requirement

- An administrative client is required to file a quarterly report ***only if*** the required information will not be disclosed on the quarterly report of the lobbying firm or lobbyist employer for that period.

Notification Requirement

- No later than five days before the reporting deadline, an administrative client is required to inquire of the lobbying firm that represented the client in an administrative proceeding during the quarter whether the firm will report the required disclosures on its quarterly report. No later than five days before the reporting deadline, a lobbying firm that represented an administrative client during the quarter is required to notify that client whether the firm will report the required disclosures on the firm's quarterly report.

- This notification requirement does not apply to a lobbyist employer who is a client in an administrative proceeding.

- If, based on the administrative client's inquiry, the client has reason to believe that the required disclosures will not be made on the quarterly report of the lobbying firm, that client must file a quarterly report.

Reportable Expenditures

On a quarterly report, the administrative client must:

- identify each proceeding for which its representative's activities require disclosure;
- disclose the name of the person it paid to represent it in an administrative proceeding and the address of that representative;
- for each proceeding, disclose the total of all fees and other payments for services provided and total reimbursements for expenses;
- disclose total payments to representatives in connection with the proceeding; and
- report all payments made to representatives in all administrative proceedings for the quarter.

ADMINISTRATIVE PROCEEDING

Administrative proceeding means a classification of municipal legislation involving the granting, denial, revocation, restriction or modification of a license, permit or entitlement for use (including all land use permits not approved by the adoption of a general plan amendment or ordinance), if a person other than the administrative client makes a direct communication with a City official on behalf of the client in connection with the proceeding.

L.A.M.C. Sec. 48.02

A major filer's quarterly report:

- identifies the municipal legislation that the filer attempted to influence during the quarter; and

- discloses the total of expenditures of $5,000 or more which were made on public relations or advertising in connection with those activities.

Filing Requirement

- A major filer is required to file a public disclosure report for every calendar quarter during which it engaged in lobbying activity or made payments required to be reported.

Municipal Lobbying Interests

- The filer must describe each item of municipal legislation which it attempted to influence during the reporting period.

Expenditures Made

Total Payments In Connection with Direct Communication

- The filer must disclose the total of all payments it made during the reporting period in connection with direct communications with any City official for the purpose of attempting to influence municipal legislation.

Total Payments to Solicit or Urge Others to Communicate

- A major filer must also disclose the total of all payments made during the reporting period for the purpose of soliciting or urging others to directly communicate with any City official in order to influence or attempt to influence action on municipal legislation.

REPORTING DEADLINES AND SCHEDULE OF FEES

Registration

Registration forms must be filed within 10 days after qualifying as a lobbyist or lobbying firm.

Fees

Registration, Jan. 1 - Sept. 30	*Quarterly Reporting*
$300 per registered lobbyist $ 50 per client	No fees are required for submitting quarterly reports.
Registration, Oct. 1 - Dec. 31 $225 per registered lobbyist $ 37 per registered client	

Quarterly Reports

Quarterly reports must be received at the City Ethics Commission no later than 5:00 p.m. on the last business day of the month immediately following the end of a calendar quarter.

Example

For Calendar Quarter Ending	The Filing Deadline Is:
March 31, 1995	Friday, April 28, 1995
June 30, 1995	Monday, July 31, 1995
September 30, 1995	Tuesday, October 31, 1995
December 31, 1995	Wednesday, January 31, 1996

Note: Lobbyists, lobbying firms, and lobbyist employers must file quarterly reports for each calendar quarter during which a lobbyist retains that status.

Late Filing Penalties

Late filing penalties accrue at $25 per day up to $500 for any statement or report that is not filed by the appropriate deadline.

Los Angeles City Ethics Commission

LOBBYIST REGISTRATION FORM

Los Angeles Municipal Code Section 48.01 et seq., as amended

INSTRUCTIONS: Every individual who qualifies as a municipal lobbyist (L.A.M.C. Sec. 48.02) must file the original and one duplicate of this form with the Ethics Commission within 10 days after qualifying as a lobbyist.

Part I - Lobbyist Filer Information

Name of Lobbyist (Last, First, M.I.)		Date Qualified as a Lobbyist
Affiliation (Complete either a or b)		
a. Name of Lobbying Firm	b. Name of Lobbyist Employer	
If affiliated with Lobbying Firm, state Lobbyist's relationship: ( ) employee ( ) partner ( ) officer ( ) owner		
Business Address (Number and street)	City	State Zip
Business Telephone Number ( )		

( ) CHECK HERE IF THIS IS AN AMENDMENT TO INFORMATION PREVIOUSLY FILED AND INDICATE THE EFFECTIVE DATE OF THIS AMENDED INFORMATION:

Part II - Lobbyist Statement of Understanding

(See reverse side of registration form.)

Part III - Verification

I have used all reasonable diligence in preparing this form. I have reviewed the form and the Lobbyist Statement of Understanding and to the best of my knowledge the information contained herein is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on (date)	At (City and state)
By (Signature of Lobbyist)	

(CEC Form 30) 8/94

Part II - Lobbyist Statement of Understanding

I HAVE READ AND UNDERSTAND THE REQUIREMENTS OF THE PROVISIONS OF LOS ANGELES MUNICIPAL CODE SECTIONS 48.01 ET SEQ., AS AMENDED, AND SEC. 49.5.10:

49.5.10 A (4). No lobbyist or lobbying firm shall make, and no City official shall accept, any gift from a lobbyist or a lobbying firm which is a restricted source as to that official. The prohibition of this subdivision shall not apply to gifts of office or other hospitality, or other gifts of nominal value, so long as the cumulative value of such gifts from a single source does not exceed $25 during any calendar year.

49.5.10 A (5). No lobbyist or lobbying firm shall act as agent or intermediary in the making of any gift by another person to any City official.

48.04. No lobbyist or lobbying firm subject to the requirements of this Article shall:

A. Do any act with the purpose and intent of placing any City official under personal obligation to the lobbyist, the lobbying firm, or to the lobbyist's or firm's employer or client.

B. Fraudulently deceive or attempt to deceive any City official with regard to any material fact pertinent to any pending or proposed municipal legislation.

C. Cause or influence the introduction of any municipal legislation for the purpose for thereafter being employed or retained to secure its passage or defeat.

D. Cause any communication to be sent to any City official in the name of any non-existent person or in the name of any existing person without the consent of such person.

E. Make or arrange for any payment to a City official, or act as an agent or intermediary in making such payments by any other person, if the arrangement or the payment would violate any provision of the City's Governmental Ethics Ordinance (L.A.M.C. Section 49.5.1 et seq.).

Los Angeles City Ethics Commission

LOBBYING FIRM REGISTRATION FORM

Los Angeles Municipal Code Section 48.01 et seq., as amended

INSTRUCTIONS: Every entity that qualifies as a municipal lobbying firm, including an individual contract lobbyist (L.A.M.C. Sec. 48.02), must file the original and one duplicate of this form with the Ethics Commission within 10 days after qualifying.

Part I - Lobbying Firm Filer Information

Lobbying Firm Name	Date Qualified As Lobbying Firm
Address	
Mailing Address (If different than above) [Number and Street City State Zip]	
Telephone Number ( )	Name of Person Authorized to Prepare Form

( ) CHECK HERE IF THIS IS AN AMENDMENT TO INFORMATION PREVIOUSLY FILED AND INDICATE THE EFFECTIVE DATE OF THAT AMENDED INFORMATION:

Part II - Lobbyist Information

On reverse, list all lobbyists who are either a partner, owner, shareholder, officer or employee of the lobbying firm. (NOTE: The registration form of each lobbyist must be attached as part of the firm's registration.)

Part III - Client Information

On Client Information pages list all clients for which the firm provides municipal lobbying services. (NOTE: A letter of authorization from each client must accompany the firm's registration.)

Part IV - Verification by Filer

I have used all reasonable diligence in preparing this form and any attachments. I have reviewed the form and any attachments and to the best of my knowledge the information contained herein is true and complete.

I certify under penalty of perjury under the laws of the state of California that the foregoing is true and correct.

Executed on (date)	At (City and State)
By (Signature of Lobbyist, or person authorized to complete Registration Form.)	

Registration of: _____

(Name of Lobbying Firm)

Part II - Lobbyist Information

List below the name of each Lobbyist who is a partner, owner, shareholder, officer or employee of the lobbying firm.
[NOTE: The registration form of each lobbyist must be attached.]

Name of Lobbyist	Indicate Whether Lobbyist is a Partner Owner, Shareholder, Officer or Employee of Lobbying Firm
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12	
13.	
14.	
15.	

Registration of: ______________________________

(Name of Lobbying Firm)

Part III - Client Information

List below the name of each client for which the firm provides municipal lobbying services:
[NOTE: A letter of authorization from each lobbying client must be attached.]

Name of Client	Representation Beginning:	Representation Ending:
Client Business or Residence Address (Number and Street City State Zip)		
Client Business or Residence Telephone ( )	▨	
Specific item(s) of municipal legislation for which the firm was retained. If no specific item(s) of municipal legislation can be identified, a description of the type of municipal legislation for which the firm was retained to represent the client.		

Name of Client	Representation Beginning:	Representation Ending:
Client Business or Residence Address (Number and Street City State Zip)		
Client Business or Residence Telephone ( )	▨	
Specific item(s) of municipal legislation for which the firm was retained. If no specific item(s) of municipal legislation can be identified, a description of the type of municipal legislation for which the firm was retained to represent the client.		

Name of Client	Representation Beginning:	Representation Ending:
Client Business or Residence Address (Number and Street City State Zip)		
Client Business or Residence Telephone ( )	▨	
Specific item(s) of municipal legislation for which the firm was retained. If no specific item(s) of municipal legislation can be identified, a description of the type of municipal legislation for which the firm was retained to represent the client.		

( ) Check here if additional pages are attached that list other lobbying clients.

(CEC Form 31) 8/94

Los Angeles City Ethics Commission

LOBBYING REGISTRATION TERMINATION FORM

Los Angeles Municipal Code Section 48.01 et seq., as amended

INSTRUCTIONS: This form must be filed to terminate the registration of any lobbyist, lobbying firm, or client who has ceased all activities requiring lobbying registration under L.A.M.C. Sec. 48.01 et seq., as amended, and to be relieved of the quarterly reporting requirement contained in Sec. 48.08 of the municipal lobbying ordinance.

REGISTRATION TERMINATION FOR:

[ ] LOBBYIST (Lobbyist must complete Parts I & III)

[ ] LOBBYING FIRM (Lobbying Firm must complete Parts I & III)

[ ] CLIENT (Lobbyist or Lobbying Firm must complete Parts I, II, & III)

Part I - Lobbyist or Lobbying Firm - Filer Information

Name of Lobbyist or Lobbying Firm Terminating Registration	
Name of Employer or Firm (If Termination is for Lobbyist)	
Business Address (Number and Street Suite No. City State Zip)	
Business Telephone ( )	Effective Date of Termination

This is to certify for the Lobbyist or Lobbying Firm named above that all activities requiring registration under Los Angeles Municipal Code Section 48.01 et seq., as amended, have ceased.

Part II - Client Termination

On reverse, list all clients which the lobbyist or lobbyist firm is no longer representing in municipal lobbying activities.

Part III - Verification by Filer

I have used all reasonable diligence in completing this form. I have reviewed the form and to the best of my knowledge the information contained herein is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on (date)	At (City and State)
By (Signature of Lobbyist, or Person Authorized for the Lobbying Firm)	

(CEC Form 32) 8/94

Name of Lobbyist or Lobbying Firm Filing Form _____

Part II - Client Termination

This is to certify that the Lobbyist or Lobbying Firm named in Part I of this form has ceased all activities requiring registration pursuant to Los Angles Municipal Code Section 48.01 et seq., as amended, for the following client(s):

Name of Registered Client			
Client's Business Address (Number and Street)	City	State	Zip
Client's Business Phone ( )			

Name of Registered Client			
Client's Business Address (Number and Street)	City	State	Zip
Client's Business Phone ( )			

Name of Registered Client			
Client's Business Address (Number and Street)	City	State	Zip
Client's Business Phone ( )			

Name of Registered Client			
Client's Business Address (Number and Street)	City	State	Zip
Client's Business Phone ( )			

( ) Check if additional pages are attached that list other clients.

(CEC Form 32) 8/94

Los Angeles City Ethics Commission

LOBBYIST QUARTERLY REPORT

Los Angeles Municipal Code Section 48.01 et seq., as amended

FOR THE CALENDAR QUARTER ENDING _____

INSTRUCTIONS: Each registered Lobbyist must file the original and one duplicate of this report with the City Ethics Commission pursuant to L.A.M.C. Sec. 48.08 on or before the last business day of the month following each calendar quarter.

Part I - Lobbyist Filer Information

Name of Lobbyist (Last, First, M.I.)	
Affiliation (Complete a or b only)	
a. Name of Lobbying Firm	
b. Name of Lobbyist Employer	
Business Address (Number and Street Suite No. City State Zip)	
Business Telephone ( )	

Part II - Summary of Quarterly Lobbyist Activity (Attach corresponding schedules)

A. Total Reportable Campaign Contributions (Quarterly total from Section II A) $ _____

B. Total Activity Expenses (Quarterly total from Section II B) $ _____

C. Payments Received for Reportable Compensated Services (Quarterly totals from Section II C)

1. Payments from City Candidates, Officeholders or Committees $ _____
2. Payments from City Agencies $ _____

Total Payments Received for Reportable Compensated Services $ _____

Part III - Verification by Filer

I have used all reasonable diligence in completing this form and attachements. I have reviewed the form and attachment and to the best of my knowledge the information contained herein is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on (date)	At (City and State)
By (Signature of Lobbyist)	

Quarterly Report of: _____ For Quarter Ending: _____

(Name of Lobbyist)

Section II A - Reportable Campaign Contributions

List below the name of each elected City officer, candidate for elective City office, and controlled committee of an elective City officer or candidate to which the Lobbyist contributed $100 or more, or which the Lobbyist delivered, or for which the Lobbyist acted as intermediary during the quarter.

Date of Contribution	Name of City Candidate/Officer	Name of Committee	Committee ID Number	Amount
				$
				$
				$
				$
				$
				$
				$
				$
				$

Page Total, Lobbyist's Reportable Contributions	$

( ) Check here to indicate if additional pages are attached which list other campaign contributions.

Quarterly Total, Lobbyist's Reportable Contributions	$

Quarterly Report of: _____ For Quarter Ending_____

(Name of Lobbyist)

Section II B - Activity Expenses

Itemize below the lobbyist's reportable activity expenses of $25 or more.

Date of Expense	Description of Expense	Name and Title of Person Benefitting from Expense

Name and Address of Payee	
Client, if any, on whose behalf the expense was made	Amount $

Date of Expense	Description of Expense	Name and Title of Person Benefitting from Expense

Name and Address of Payee	
Client, if any, on whose behalf the expense was made	Amount $

Date of Expense	Description of Expense	Name and Title of Person Benefitting from Expense

Name and Address of Payee	
Client, if any, on whose behalf the expense was made	Amount $

Page Total, Itemized Activity Expenses	$

( ) Check here to indicated if additional pages are attached which list other activity expenses.

Unitemized Activity Expenses for the Quarter	$

Quarterly Total, All Activity Expenses	$

Quarterly Report of: _____ For Quarter Ending _____

(Name of Lobbyist)

Section II C - Other Reportable Compensated Services:
2. Payments Received for Services Provided to a City Agency

Name of City Agency for Which Firm Provided Compensated Services		
Description of Contract or Contract Number		
Description of Services Provided		
	Amount of Compensation Received	$

Name of City Agency for Which Firm Provided Compensated Services		
Description of Contract or Contract Number		
Description of Services Provided		
	Amount of Compensation Received	$

Name of City Agency for Which Firm Provided Compensated Services		
Description of Contract or Contract Number		
Description of Services Provided		
	Amount of Compensation Received	$

Page Total Payments from City Agencies	$

( ) Check here to indicate if additional pages are attached which list other payments.

Quarterly Total, Payments from City Agencies	$

Quarterly Report of: _____ For Quarter Ending _____

(Name of Lobbyist)

Section II C - Other Reportable Compensated Services:

1. Payments Received for Services Provided to a City Candidate, Officeholder, or Committee

Name of Committee for Which Firm Provided Compensated Services	
Committee Affiliation (Complete either a or b)	
a. Name of Candidate or Officeholder _____ Office Sought _____ Date of Election _____	b. Ballot Measure Number or Letter _____ Date of Election _____
Description of Services Provided	Amount of Compensation Received $

Name of Committee for Which Firm Provided Compensated Services	
Committee Affiliation (Complete either a or b)	
a. Name of Candidate or Officeholder _____ Office Sought _____ Date of Election _____	b. Ballot Measure Number or Letter _____ Date of Election _____
Description of Services Provided	Amount of Compensation Received $

Page Total, Payments from Candidates, Officeholders and Committees	$

( ) Check here to indicate if additional pages are attached which list other payments.

Quarterly Total, Payments from Candidates, Officeholders and Committees	$

Los Angeles City Ethics Commission

LOBBYING FIRM QUARTERLY REPORT

Los Angeles Municipal Code Section 48.01 et seq., as amended

FOR THE CALENDAR QUARTER ENDING _____

INSTRUCTIONS: Each registered lobbying firm, including an individual contract lobbyist, must file the original and one duplicate of this report with the City Ethics Commission on or before the last business day of the month following each calendar quarter.

Part I - Lobbying Firm Filer Information

Name of Lobbying Firm	
Business Address (Number and street)	
City, State, Zip	
Business Telephone ( )	
Name of Person Authorized to Complete this Quarterly Report	

Part II - Lobbyist Information (See reverse for listing of firm's lobbyists)

Part III - Summary of Lobbyist Firm's Quarterly Activity

A. Total Lobbying Expenditures for the Period
(Quarterly total from Section III A, on reverse) $ _____

B. Total Lobbying Payments Received From All Clients
(Quarterly total from attached Section III B) $ _____

C. Total Reportable Campaign Contributions
(Quarterly total from attached Section III C) $ _____

D. Payments Received for Other Reportable Compensated Services
(Quarterly totals from attached Section III D)

1. Payments from City Candidates, Officeholders and Committees $ _____
2. Payments from City Agencies $ _____

Total Payments Received for Other Reportable Compensated Services $ _____

Part IV - Verification by Filer

I have used all reasonable diligence in completing this form and attachments. I have reviewed the form and any attachments and to the best of my knowledge the information contained herein is true and complete. I certify under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on (date)	At (City and State)
By (Signature of Person Authorized to Complete Firm's Report)	

(CEC Form 34) 8/94

Quarterly Report of: _____ For Quarter Ending _____

(Name of Lobbying Firm)

Part II - Lobbyist Information

List below the name of each lobbyist who is a partner, owner, shareholder, officer or employee of the firm. (NOTE: The original quarterly report of each such lobbyist must be attached.)

Name of Lobbyist	Indicate Whether Lobbyist is a Partner, Owner, Shareholder, Officer or Employee of Lobbying Firm.

Section III A - Lobbying Expenditures for the Period

1. Payments to Lobbyists	$
2. Payments to Employees Other than Lobbyists	$
3. Activity Expenses *(Quarterly total from attached Activity Expense schedule III A (3))*	$
4. All Other Expenditures Attributable to Attempts to Influence Municipal Legislation During this Calendar Quarter	$
5. TOTAL LOBBYING EXPENDITURES FOR QUARTER	$

Quarterly Report of: _____ For Quarter Ending _____

(Name of Lobbying Firm)

Schedule III A (3) - Activity Expenses

Itemize below the lobbying firm's reportable activity expenses of $25 or more.

Date of Expense	Description of Expense	Name and Title of Person Benefitting from Expense

Name and Address of Payee	
Client, if any, on whose behalf the expense was made	Amount $

Date of Expense	Description of Expense	Name and Title of Person Benefitting from Expense

Name and Address of Payee	
Client, if any, on whose behalf the expense was made	Amount $

Date of Expense	Description of Expense	Name and Title of Person Benefitting from Expense

Name and Address of Payee	
Client, if any, on whose behalf the expense was made	Amount $

Page Total, Itemized Activity Expenses	$

( ) Check here to indicated if additional pages are attached which list other activity expenses.

Unitemized Activity Expenses for the Quarter	$

Quarterly Total, All Activity Expenses	$

Quarterly Report of: ______________________________ For Quarter Ending ____________

(Name of Lobbying Firm)

Section III B - Payments Received from Clients

Client Name	Item or description of municipal legislation for which firm or lobbyist represented client:	
Client Address (Number and Street)		
City, State, Zip		
Client Telephone ( )	Total amount of payments from client during quarter	$

Client Name	Item or description of municipal legislation for which firm or lobbyist represented client:	
Client Address (Number and Street)		
City, State, Zip		
Client Telephone ( )	Total amount of payments from client during quarter	$

Client Name	Item or description of municipal legislation for which firm or lobbyist represented client:	
Client Address (Number and Street)		
City, State, Zip		
Client Telephone ( )	Total amount of payments from client during quarter	$

Page Total, Payments Received from Clients	$

(   ) Check here to indicate if additional pages are attached which list other clients

Quarterly Total, Payments Received From Clients	$

(CEC Form 34) 8/94

Quarterly Report of: _____ For Quarter Ending: _____

(Name of Lobbying Firm)

Section III C - Reportable Campaign Contributions

List below the name of each elected City officer, candidate for elective City office, and controlled committee of an elective City officer or candidate to which the Lobbying Firm contributed $100 or more, or which the Lobbying Firm delivered, or for which it acted as intermediary during the quarter.

Date of Contribution	Name of City Candidate/Officer	Name of Committee	Committee ID Number	Amount
				$
				$
				$
				$
				$
				$
				$
				$
				$

Page Total, Firm's Reportable Contributions	$

( ) Check here to indicate if additional pages are attached which list other campaign contributions.

Quarterly Total, Firm's Reportable Contributions	$

Quarterly Report of: _____ For Quarter Ending _____

(Name of Lobbying Firm)

Section III D - Other Reportable Compensated Services:

1. Payments Received for Services Provided to a City Candidate, Officeholder, or Committee

Name of Committee for Which Firm Provided Compensated Services	
Committee Affiliation (Complete either a or b)	
a. Name of Candidate or Officeholder _____ Office Sought _____ Date of Election _____	b. Ballot Measure Number or Letter _____ Date of Election _____
Description of Services Provided	Amount of Compensation Received $

Name of Committee for Which Firm Provided Compensated Services	
Committee Affiliation (Complete either a or b)	
a. Name of Candidate or Officeholder _____ Office Sought _____ Date of Election _____	b. Ballot Measure Number or Letter _____ Date of Election _____
Description of Services Provided	Amount of Compensation Received $

Page Total, Payments from Candidates, Officeholders and Committees	$

( ) Check here to indicate if additional pages are attached which list other payments.

Quarterly Total, Payments from Candidates, Officeholders and Committees	$

Quarterly Report of: _____ For Quarter Ending _____

(Name of Lobbying Firm)

Section III D - Other Reportable Compensated Services:
2. Payments Received for Services Provided to a City Agency

Name of City Agency for Which Firm Provided Compensated Services		
Description of Contract or Contract Number		
Description of Services Provided		
	Amount of Compensation Received	$

Name of City Agency for Which Firm Provided Compensated Services		
Description of Contract or Contract Number		
Description of Services Provided		
	Amount of Compensation Received	$

Name of City Agency for Which Firm Provided Compensated Services		
Description of Contract or Contract Number		
Description of Services Provided		
	Amount of Compensation Received	$

Page Total, Payments from City Agencies	$

( ) Check here to indicate if additional pages are attached which list other payments.

Quarterly Total, Payments from City Agencies	$

Los Angeles City Ethics Commission

LOBBYIST EMPLOYER QUARTERLY REPORT

Los Angeles Municipal Code Section 48.01 et seq., as amended

FOR THE CALENDAR QUARTER ENDING _____

INSTRUCTIONS: Each Lobbyist Employer must file the original and one duplicate of this report pursuant to L.A.M.C. Sec. 48.08 with the City Ethics Commission on or before the last day of the month following each calendar quarter.

Part I - Lobbyist Employer Filer Information

Name of Lobbyist Employer	
Address (Number and Street)	
City, State, Zip	Telephone ( )
Name of Person Authorized to Complete this Quarterly Report	
Address of Preparer, If Different From Above: (Number, Street, Suite No., City, State, Zip)	Phone ( )

Part II - Lobbyist Information

(See listing of in-house lobbyists on reverse)

Part III - Municipal Lobbying Interests

(See reverse side of form)

Part IV - Summary of Lobbyist Employer Activity

(Attach corresponding schedules)

A. Total Lobbying Expenditures Made for the Period
(Quarterly total from Section IV A) $ _____

B. Total Reportable Campaign Contributions
(Quarterly total from Section IV B) $ _____

Part V - Verification by Filer

I have used all reasonable diligence in completing this form and any attachments. I have reviewed the form and any attachments and to the best of my knowledge the information contained herein is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on (date)	At (City and State)
By (Signature of Person Authorized to Complete Report on Behalf of Lobbyist Employer)	

Quarterly Report of _____ For Quarter Ending _____

(Name of Lobbyist Employer)

Part II - Lobbyist Information

List below the name of each in-house lobbyist who is employed by the Lobbyist Employer.
(Note: The original quarterly report of each in-house lobbyist must be attached).

Part III - Municipal Lobbying Interests

Quarterly Report of _____ For Quarter Ending _____

(Name of Lobbyist Employer)

Part III - Municipal Lobbying Interests (Continued)

Section IV A - Lobbying Expenditures for the Period

1. Payments to In-house Lobbyists	$
2. Payments to Employees Other than Lobbyists	$
3. Activity Expenses *(Quarterly total from attached Activity Expense schedule IV A (3))*	$
4. All Other Expenditures Attributable to Attempts to Influence Municipal Legislation During this Calendar Quarter	$
5. TOTAL LOBBYING EXPENDITURES FOR QUARTER	$

Quarterly Report of: _____ For Quarter Ending _____

(Name of Lobbyist Employer)

Schedule IV A (3) - Activity Expenses

Itemize below the lobbyist employer's reportable activity expenses of $25 or more.

Date of Expense	Description of Expense	Name and Title of Person Benefitting from Expense

Name and Address of Payee	
Client, if any, on whose behalf the expense was made	Amount $

Date of Expense	Description of Expense	Name and Title of Person Benefitting from Expense

Name and Address of Payee	
Client, if any, on whose behalf the expense was made	Amount $

Date of Expense	Description of Expense	Name and Title of Person Benefitting from Expense

Name and Address of Payee	
Client, if any, on whose behalf the expense was made	Amount $

Page Total, Itemized Activity Expenses	$

( ) Check here to indicated if additional pages are attached which list other activity expenses.

Unitemized Activity Expenses for the Quarter	$

Quarterly Total, All Activity Expenses	$

Quarterly Report of: _____ For Quarter Ending: _____

(Name of Lobbyist Employer)

Section IV B - Reportable Campaign Contributions

List below the name of each elected City officer, candidate for elective City office, and controlled committee of an elective City officer or candidate to which the Lobbyist Employer contributed $100 or more, or which the Lobbyist Employer delivered, or for which it acted as intermediary during the quarter.

Date of Contribution	Name of City Candidate/Officer	Name of Committee	Committee ID Number	Amount
				$
				$
				$
				$
				$
				$
				$
				$
				$

Page Total, Employer's Reportable Contributions	$

( ) Check here to indicate if additional pages are attached which list other campaign contributions.

Quarterly Total, Employer's Reportable Contributions	$

Los Angeles City Ethics Commission

ADMINISTRATIVE CLIENT QUARTERLY REPORT

Los Angeles Municipal Code Section 48.01 et seq., as amended

FOR THE CALENDAR QUARTER ENDING _____

INSTRUCTIONS: Each Administrative Client (L.A.M.C. Sec. 48.02) must file the original and one duplicate of this report with the City Ethics Commission pursuant to L.A.M.C. Sec. 48.08 on or before the last business day of the month following each calendar quarter during which a person representing the client received payments required to be disclosed. This report must be filed unless a Lobbying Firm or Lobbyist Employer discloses the information on its quarterly report.

Part I - Administrative Client Filer Information

1. Name of Administrative Client (If an individual, Last, First, MI)	
2. Address (Number and Street)	
3. City, State, Zip	
4. Telephone ( )	
5. Name of Person Authorized to Prepare Report, If Different From Administrative Client	
6. Address of Preparer, If Different from Administrative Client's Address Above:	Phone ( )

Part II - Summary of Administrative Client Activity

A. Total Payments Made to Representatives
In All Administrative Proceedings Reported for the Quarter
(Quarterly Total from Section II A) $ _____

Part III - Filer Verification

I have used all reasonable diligence in completing this form and attachments. I have reviewed the form and attachments, and to the best of my knowledge the information contained herein is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on (date)	At (City and state)
By (Signature of Person Authorized to Complete This Report)	

Quarterly Report of _____ For Quarter Ending _____

(Name of Administrative Client)

Section II A - Reportable Expenditures

Identification of Proceeding for which Representative's Activities Require Disclosure	
Name of Person Paid to Represent Client	
Address of Paid Representative (Number and Street)	
City, State, Zip	
Telephone ( )	

Total Fees and Other payments for Services	$
Total Reimbursements for Expenses	$
Total Payments to Representative In Connection With This Proceeding	$

Identification of Proceeding for which Representative's Activities Require Disclosure	
Name of Person Paid to Represent Client	
Address of Paid Representative (Number and Street)	
City, State, Zip	
Telephone ( )	

Total Fees and Other Payments for Services	$
Total Reimbursements for Expenses	$
Total Payments to Representative In Connection With This Proceeding	$

Page Total, Payments to Representatives In Connection with Administrative Proceedings	$

( ) Check here if additional pages are attached which list other payments.

Quarterly Total, Payments to Representatives In Connection with Administrative Proceeding	$

Los Angeles City Ethics Commission

MAJOR FILER QUARTERLY REPORT

Los Angeles Municipal Code Section 48.01 et seq., as amended

FOR THE CALENDAR QUARTER ENDING _____

INSTRUCTIONS: Each Major Filer (L.A.M.C. Sec. 48.02) must file the original and one duplicate of this report with the City Ethics Commission pursuant to L.A.M.C. Sec. 48.08 on or before the last business day of the month following each calendar quarter during which they engaged in lobbying activity or made payments required to be reported.

Part I - Major Filer Information

1. Name of Major Filer (If Individual, Last, First, MI)	
2. Address (Number and Street)	
3. City, State, Zip	
4. Telephone ( )	
5. Name of Person Authorized to Prepare Report	
6. Address of Preparer, If Different From Major Filer's Address Above: Number Street Suite No. City State Zip	7. Phone ( )

Part II - Municipal Lobbying Interests

(See reverse side of form.)

Part III - Expenditures Made

1. Total Payments During Period in Connection with Direct Communication $ _____

2. Total Payments During Period to Solicit or Urge Others to Communicate $ _____

REPORTABLE LOBBYING EXPENDITURES FOR THE PERIOD $ _____

Part IV - Verification by Filer

I have used all reasonable diligence in completing this form. I have reviewed the form and to the best of my knowledge the information contained herein is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on (date)	At (City and state)
By (Signature of Person Authorized to Complete Report)	

(CEC Form 37) 8/94

Quarterly Report of: _____ For Quarter Ending _____

(Name of Major Filer)

Part II - Municipal Lobbying Interests

Description of municipal legislation which the filer attempted to influence during the period:

1.
2.
3.

BEFORE THE CITY ETHICS COMMISSION
CITY OF LOS ANGELES

In the Matter of:	)	
Opinion Requested by:	)	**Opinion No. 95-001**
Brian W. Maas	)	**January 5, 1995**

BY THE CITY ETHICS COMMISSION: In a letter to the City Ethics Commission dated September 20, 1994, Brian W. Maas, an attorney with the law firm of Pillsbury Madison & Sutro, sought advice regarding the definition of "lobbyist" contained in Los Angeles Municipal Code Section 48.01 et seq., as amended. Specifically, Mr. Maas asked the Commission to clarify the lobbyist qualification threshold set forth in the recent amendment to the City's lobbying ordinance.[1]

QUESTION

Under the $4,000 per quarter compensation test established in § 48.02 to determine whether an individual qualifies as a lobbyist, does only compensation received for *direct communications* with City officials count toward the registration threshold, or does compensation received for other activities also count toward that threshold?

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[1] The Executive Director of the Commission determined that the inquiry by Mr. Maas involved interpretive issues of importance to persons generally affected by the City's lobbying ordinance and that the advice to Mr. Maas should take the form of a formal Commission opinion. The Commission concurs with that determination. Because Mr. Maas has not identified particular individuals whose conduct would be affected by the Commission's response to his inquiry, the immunity afforded pursuant to City Charter Section 600 N 2 does not apply to this opinion. See Los Angeles Administrative Code § 24.1.1.

CONCLUSION

Compensation received both for direct communications with City officials made for the purpose of attempting to influence municipal legislation and for other activities related to such communications counts toward the qualification threshold. If these other activities relate to a direct communication, it does not matter whether the direct communication occurs during the same calendar quarter as the other activities are performed so long as the communication occurs within 12 months of these other activities. However, only compensation earned or received during any single calendar quarter will count toward the monetary threshold.

These other activities include, but are not limited to, the following:

* drafting statutes or regulations;
* providing advice or recommending strategy to a client concerning "municipal legislation;"
* seeking support or opposition from a third party;
* seeking editorial support or opposition from the news media;
* monitoring a meeting of City officials relating to the "municipal legislation" sought to be influenced;
* time spent researching the background and details of an issue; and
* gathering information to support one's position.

ANALYSIS

Intent of Lobbying Ordinance

City law regulates lobbying activity aimed at influencing City decisions and requires regular public reporting to ensure that citizens have access to important information about the use of private resources to influence governmental decisions by City agencies and officials.

The intent of the City's lobbying ordinance (Los Angeles Municipal Code § 48.01 *et seq.*, as amended)[2] is "to ensure adequate and effective disclosure of information about efforts to lobby City government." Section 48.01 B (6). As stated in § 48.01 B (4):

> "Complete public disclosure of the full range of activities by and financing of lobbyists and those who employ their services is essential to the maintenance of citizen confidence in the integrity of local government."

Relevant Provisions of City Law

Section 48.02, in pertinent part, defines a "lobbyist" as:

> "...any person [i.e. individual] who receives or becomes entitled to receive $4,000 or more in compensation during any calendar quarter to communicate directly (either personally or through his or her agents) for the purpose of attempting to influence municipal legislation on behalf of any other person.... A person receives compensation within the meaning of this definition whether or not the compensation is received solely for activities regulated by this Article or is received for both lobbying activities and other activities as well. However, only that portion of compensation paid for the lobbying activities shall count toward the qualification threshold."

Although the City's lobbying ordinance does not define the term "communicate directly," § 48.02 does define other key terms that guide us in interpreting its meaning for purposes of the ordinance.

Section 48.02, in pertinent part, defines "attempting to influence" to mean:

> "...promoting, supporting, opposing or seeking to modify or delay any action on municipal legislation by any means, including but not limited to providing or using persuasion, information, statistics, analyses or studies. A person attempts to influence municipal legislation when he or she communicates directly with any agency officer or employee for the purpose of influencing a decision."

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[2] Unless otherwise specified, section references are to the Los Angeles Municipal Code.

Section 48.02 also states:

"Other terms used in this Article shall have the meanings set forth in the California Political Reform Act of 1974, as amended, and in the regulations of the California Fair Political Practices Commission, as amended, if defined therein."

Related Provisions of State Law

For purposes of defining which payments received from a client for "lobbying" services are considered reportable payments under the lobbying registration and disclosure requirements of the Political Reform Act, the relevant regulation of the Fair Political Practices Commission, 2 California Code of Regulations (C.C.R.) § 18614(c)(2), in pertinent part, defines "direct communication" to mean:

"...appearing as a witness before, talking to (either by telephone or in person), corresponding with, or answering questions or inquiries from, any elected state official, legislative official or agency official, either personally or through an agent who acts under one's direct supervision, control or direction."

In defining the types of activities for which state lobbyists must report payments, 2 C.C.R. § 18614(c)(1), in pertinent part, identifies lobbying activities (i.e. "legislative-related services") as including:

"...researching, monitoring, analyzing or drafting statutes, regulations, or pending or proposed legislative or administrative action, providing advice or recommending strategy concerning pending or proposed legislative or administrative action, and similar services..."

Section 18614(a) specifically requires lobbyists to report:

"(2) Payments for legislative-related services only if, within one year after the services are provided, the client, either directly or through an affiliated entity, expressly or implicitly authorizes the lobbying firm to communicate directly with an elected state official, legislative official or agency official for the purpose of influencing legislative or administrative action on the same or substantially the same matter."

Interpretation of Provisions

Lobbying Threshold

City law establishes a qualification threshold with the intent of assuring that the activities of persons who regularly or substantially attempt to influence City decisions will be properly reported but that activities of persons who earn less than a specified amount in compensation for their municipal lobbying activities will not be subject to the registration and reporting requirements of City law.

The level at which these activities may occur before registration is required is established in the definition of "lobbyist" contained in § 48.02. Based on that definition, an individual must register as a lobbyist when he or she receives or becomes entitled to receive $4,000 or more in compensation during a calendar quarter "to communicate directly (either personally or through his or her agents) for the purpose of attempting to influence municipal legislation on behalf of any other person..."

Lobbying: Direct Communication and Other Activities

For purposes of the registration threshold, "lobbying" includes the following components:

(1) an individual (either personally or through his or her agents) must make one or more direct communications with City officials;

(2) the direct communication(s) must occur in the context of an attempt to influence "municipal legislation;" and

(3) the individual has or will receive compensation for his or her attempt to influence "municipal legislation."

Like state law (c.f., 2 C.C.R. § 18614(c)(2)), City law also recognizes lobbying activities to include actual *direct* communications made in an attempt to influence governmental decisions (i.e. appearing as a witness before, talking by telephone or in person to, corresponding with, or answering questions or inquiries from, a City official, either personally or through an agent who acts under one's direct supervision, control or direction).

Under the City's lobbying ordinance, however, lobbying is not limited only to actual direct oral or written communications, but also includes other activities that are undertaken in an attempt to influence municipal legislation. In the same manner that state law defines

certain "legislative-related services" to be reportable by lobbyists,[3] the City similarly defines municipal lobbying activities to include, for instance, research or analysis conducted by an individual to reach conclusions that are stated in a letter from that individual in an attempt to influence a pending matter of "municipal legislation." As such, compensation received for these activities would count toward the qualification threshold contained in the ordinance if these activities are associated with one or more direct communications by the individual. Similarly, compensation the individual receives or becomes entitled to receive for other preparations for an oral or written communication with a City official also would count toward that individual's qualifications test.

By recognizing that lobbying requires, but is not limited to, one or more direct communications, the ordinance assures effective public disclosure about the full range of efforts to influence the decisions of City government. To limit the definition of lobbying for purposes of the registration threshold only to time spent in *actual direct communications* with a City official would not only be inconsistent with the intent of the ordinance but would also render the law's disclosure requirements meaningless.[4]

As indicated in our conclusion, an individual will qualify as a lobbyist if that individual receives or becomes entitled to receive $4,000 or more in compensation during a calendar quarter for lobbying activities related to one or more direct communications (either personally or through his or her agents) with City officials for the purpose of attempting to influence municipal legislation. This is true regardless of whether any direct communication occurs during the same quarter as these other lobbying activities, so long as the communication actually does take place.

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[3] 2 C.C.R. § 18614 (c)(1).

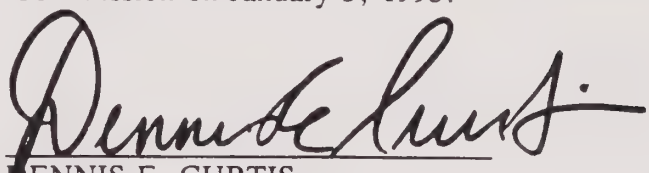
[4] To illustrate this point, assume that an individual hired by a major trade association conducts analyses, prepares and distributes reports and other materials to the press and public meets with editorial boards, and arranges for newspaper advertisements urging the defeat of a proposed ordinance. That individual also meets with the chair of the Council committee to which the ordinance is assigned and appears before that committee to urge defeat of the ordinance. Those direct communications total three hours for which she earns less than $4,000, and the indirect activities total another six hours for which she earns a sufficient amount to place her lobbying-related earnings for the quarter over the $4,000 threshold. If only the actual direct communications with the Council members, and not the other lobbying activities also undertaken to influence those members' actions, counted toward the registration threshold, the individual in our hypothetical would not be required to register event though she had earned more than $4,000 for the entirety of her lobbying activities.

A question remains concerning the temporal relationship between such lobbying-related activities and a direct communication; in other words, how close in time do the communication and the other lobbying activities have to occur? While some matters may move quickly through the legislative or administrative process, it is also likely that a matter may be considered over a prolonged period. It is obvious that, given the time that some issues of municipal legislation may remain pending before a final decision is reached, all of a lobbyist's activities aimed at influencing municipal legislation may not all occur within any given calendar quarter. For example, a potential lobbyist or lobbying firm retained to perform lobbying services might begin researching the matter and engaging in other lobbying activities toward the end of a calendar quarter, only to actually directly communicate with City officials on the matter during the following quarter. Indeed, the matter might remain pending and the potential lobbyist may make further direct communications and/or engage in other lobbying activities at various times during the following weeks or months. At some point, however, the link between a direct communication and other lobbying activities may become tenuous.

In connection with whether payments for lobbying activities must be included in a lobbying firm's periodic reports under the Political Reform Act, the Fair Political Practices Commission has determined by regulation that payments for such activities must be reported if the activities occur within one year of the client's authorization that the firm engage in direct communications on behalf of the client in connection with the matter sought to be influenced. 2 C.C.R. §18613(a)(2). Although the FPPC regulation relates to reporting, not registration, we believe that it provides, by analogy, a reasonable timeframe to judge which lobbying-related services relate to a direct communication.

Under the test established in City law for qualifying as a lobbyist, therefore, compensation received for actual direct communications and for other lobbying activities related to those attempts to influence "municipal legislation" that are undertaken within twelve months of a direct contact count toward the qualification threshold. Alternatively, if no direct communication occurs between an individual (either personally or through his or her agents) and a City official for purposes of attempting to influence a matter of "municipal legislation" within twelve months of engaging in lobbying activities as defined above, the compensation earned by that individual for those lobbying activities that occur outside the 12-month window does not count toward the registration threshold.

Approved by the City Ethics Commission on January 5, 1995.



DENNIS E. CURTIS
President
City Ethics Commission

Concurring: Commission Vice-President Treesa Way Drury
Commissioners Eve Fisher, Edwin Guthman, and Ann Petroni

Dissenting: None

Absent: None

maas.opf

City of Los Angeles
CODE OF ETHICS

STATEMENT OF APPROVED PRINCIPLES FOR PUBLIC SERVICE IN THE GOVERNMENT OF THE CITY OF LOS ANGELES

Adopted by Council resolution, July 21, 1959 and Amended August 23, 1979 by Council resolution

I
General Rule with Respect to Conflicts of Interest

Persons in the public service shall not engage in nor shall they have any interest, direct or indirect, in any business or transaction, nor incur any obligation which is in substantial conflict with the proper discharge of their official duties in the public interest or which impairs their independence of judgement in the discharge of such duties.

II
Actions and Conduct Designed to Build Public Confidence

Persons in the public service shall not only be ever conscious that public service is a public trust but also shall be impartial and devoted to the best interests of the City, and shall so act and conduct themselves, both inside and outside the City's service, as not to give occasion for distrust of their impartiality or of their devotion to the City's best interests.

III
Acceptance of Favors and Gratuities

Persons in the public service shall not accept money or other consideration or favors from anyone other than the City for the performance of an act which they would be required or expected to perform in the regular course of their duties; nor shall such persons accept any gifts, gratuities or favors of any kind which might reasonably be interpreted as an attempt to influence their actions with respect to city business.

IV
Use of Confidential Information

Persons in the public service shall not disclose confidential information acquired by or available to them in the course of their employment with the City, or use such information for speculation or personal gain.

V
Use of City Employment and Facilities for Private Gain

Persons in the public service shall not use, for private gain or advantage, their city time or the City's facilities, equipment or supplies, nor shall they use or attempt to use their position to secure unwarranted privileges or exemptions for themselves or others.

VI
Contracts With the City

Persons in the public service shall not exercise any discretionary powers for, or make any recommendations on behalf of or to the City or any department or officer thereof with respect to any contract or sale to which the City or any department thereof is a party and in which such persons shall knowingly be directly or indirectly financially interested.

VII
Outside Employment Impairing Service to the City

Persons in the public service shall not engage in outside employment or business activity which involves such hours of work or physical effort that it would or could be reasonably expected to substantially reduce the quality or quantity of work or interfere with such persons' giving a full day's labor for a full day's pay.

VIII
Outside Employment Incompatible With Official Duties

Persons in the public service shall not engage in any outside employment which involves the performance by them of any work which will come before them as officers or employees of the City, or under their supervision, for approval or inspection; provided that nothing in this paragraph shall be taken to limit in any manner the outside employment of such persons where the interests of the City are protected under Section 28.1 of the Charter and ordinances adopted thereunder.

IX
Personal Investments

Persons in the public service shall not make personal investments in enterprises which they have reason to believe may be involved in decisions or recommendations to be made by them, or under their supervision, or which will otherwise create a substantial conflict between their private interests and the public interest. If, however, persons in the public service have financial interests in matters coming before them, or before the department in which they are employed, they shall disqualify themselves from any participation therein.

X
Discussion of Future Employment

Persons in the public service shall not negotiate for future employment outside the city service with any person, firm, or organization known by such persons to be dealing with the City concerning matters within such persons' areas of responsibility or upon which they must act or make a recommendation.

XI
Conduct With Respect to Performance on the Job

Persons in the public service shall perform their duties earnestly, economically and efficiently.

XII
Activities Incompatible With Official Duties and the Reporting of Improper Government Activities

Persons in the public service shall not engage in any improper governmental activity or in any actions or practices which would interfere with the proper performance of the duties of others. Persons in the City service are strongly encouraged to fulfill their own moral obligations to the City by disclosing to the extent not expressly prohibited by law, improper governmental activities within their knowledge. No officer or employee of the City shall directly or indirectly use or attempt to use the authority or influence of such officer or employee for the purpose of intimidating, threatening, coercing, commanding, or influencing any person with the intent of interfering with that person's duty to disclose such improper activity.

XIII
Loyalty

Persons in the public service shall uphold the Federal and California State Constitutions, laws and legal regulations of the United States, the State of California, the City of Los Angeles, and all other applicable governmental entities therein.

XIV
Affirmative Action

Persons in the public service **shall not,** in the performance of their service responsibilities, **discriminate** against any person on the basis of race, religion, color, creed, age, marital status, national origin, ancestry, sex, sexual preference, medical condition, or handicap and they shall cooperate in achieving the equal employment opportunity and affirmative action goals and objectives of the City.

CITY ETHICS COMMISSION PROVISIONS

OF THE LOS ANGELES CITY CHARTER

(City Charter §§ 600 to 605)

Prepared by the
Los Angeles City Ethics Commission

Sec. 600. City Ethics Commission

A. Establishment

This paragraph creates a five member Commission with all the powers, duties and responsibilities set forth in Charter H 683

B. Appointment

This paragraph identifies the officials in Los Angeles City government who have the power to appoint commissioners to the Ethics Commission, subject to confirmation by the Council 683

C. Terms of Office

This paragraph creates five year terms of each Commission member and directs that each initial commissioner other than the President shall serve staggered one to four year terms determined by lot 683

D. Qualifications

This paragraphs lists the qualifications for the positions of Commission member and executive director. Also identified are restrictions on political activity of Commission members and the executive director once in office and immediately following their terms in office 683

E. Removal

This paragraph explains the process for removal of Commission members and what activity constitutes acceptable cause for removal 684

F. Vacancies

This paragraph explains the process for filling vacancies on the Commission 684

G. Quorum

This paragraph proclaims that the concurring vote of three members, or a quorum, is required to take action 684

H. Compensation; Expenses

This paragraph explains how and when Commission members are reimbursed for expenses 684

I. Executive Officer, Commission Staff and Delegation of Authority

1. This paragraph explains the appointment, tenure and discharge of the executive director 684
2. This paragraph explains the appointment, tenure and discharge of Commission staff members 684
3. This paragraph outlines the limits of the Commission's ability to delegate authority to the executive officer between meetings 685

J. Administration and Implementation

This paragraph proclaims the Commission's responsibility for the administration and implementation of the Charter and related statutes and ordinances 685

K. Duties

The paragraphs in this section outline the Commission's duty to:

1. Fully administer Sec. 312 of the Charter 685
2. Administer the City's lobbyist registration ordinance 685
3. Act as filing officer 685
4. Audit campaign statements and investigate alleged violations 685
5. Assist agencies in administering ethics laws 685
6. Make recommendations to the Mayor and the Council concerning ethics laws 686
7. Have a whistle-blower hotline 686
8. Annually adjust limitation and disclosure thresholds to reflect the Consumer Price Index 686
9. Assist in the development of conflict of interest codes 686
10. Advocate understanding of ethics laws 686
11. Administer own office 686
12. Receive grants, gifts, appropriations approved by Council 686

L. Rules and Regulations

1. This paragraph creates the power for the Commission to adopt, amend or rescind rules and regulations with Council approval 686

2. This paragraph explains the process by which a rule or regulation is considered for approval by the Council and the effect of the rule or regulation if it is approved 686

M. Additional Duties

These paragraphs outline the Commission's additional duties to:

1. Prescribe forms for documents required by the Charter 687
2. Publish manuals and instructions to facilitate enforcement of ethics laws 687
3. Develop educational programs consisting of various seminars and manuals 687

N. Requests For and Issuance of Opinions; Advice

1. This paragraph explains the Commission's responsibility to issue a written opinion with respect to an individual's duty under the ethics laws when requested to do so by that individual . . . 687

2. This paragraph explains the Commission's responsibility to provide written advice with respect to an individual's duty under the ethics laws when requested to do so by that individual . . . 688

O. Investigations and Enforcement Proceedings

1. Conduct of Elected Officials, Members of Certain Boards and Commissions, Candidates and Others

This paragraph explains who and what the Commission will investigate 688

a) Investigations
This subsection outlines the investigation process, from the initial sworn complaint, to determination of sufficient cause, to notification of the complainant, to the actual confidential investigation 688

b) Findings of Probable Cause
This subsection explains the process that must be followed before there can be a finding of probable cause that an ethical violation has occurred 689

c) Administrative Orders and Penalties
This subsection lists the penalties which the Commission can impose on a violator of the Charter or City ordinance if it determined at a public hearing that a violation has occurred. Also explained is the action the Commission must take if no violation has occurred 690

d) This subsection lists the offenses which make a person liable under this section 690

2. Conduct of Appointed Officers and City Employees
This paragraph explains that the Commission will investigate the alleged ethical misconduct of appointed officials and City employees and will punish wrongdoing 690

P. Divestiture

This paragraph identifies the two situations which would lead the Commission to examine if a member of a City Board or Commission had a significant and continuing conflict of interest. This could lead the Commission to order divestment 691

Q. Legal Services

This paragraph proclaims that the City Attorney shall provide legal services to the Commission except that staff council may be used in cases which involve the conduct of the City Attorney 691

R. Subpoena Power

These paragraphs explain the extent of the subpoena power of the Commission, any special prosecutor and the City Attorney under current law 691

S. Judicial Review

This paragraph states anyone can seek judicial review of Commission action 691

Sec. 601. Appointment of Special Prosecutor

a) This paragraph explains the process by which the appointment of a special prosecutor is requested 692

b) This paragraph explains who hears the request for a special prosecutor, who names the prosecutor, and authority the prosecutor has 692

c) This paragraph explains the budget for the special prosecutor and the process by which the Commission may request an additional appropriation 692

d) This paragraph explains that only the Commission may remove the special prosecutor from office and lists what is cause for removal . . . 692

Sec. 602. Transfer of Powers

This paragraph states that the powers of the Commission may not be transferred 693

Sec. 603. Appropriation

This paragraph outlines the process by which the Council appropriates funds to the Commission 693

Sec. 604. Conflict With Other Charter Provisions

This paragraph establishes the preeminence of this article over other provisions of the Charter 693

Sec. 605. Authority

This paragraph explains the authority to adopt this article 693

ARTICLE XXXVI

CITY ETHICS COMMISSION; SPECIAL PROSECUTOR

Sec. 600. City Ethics Commission.

A. **Establishment.**

There is hereby created a City Ethics Commission which shall have the powers, duties and responsibilities set forth in this article and elsewhere in this Charter. The Commission shall have five members, each of whom shall be a part-time commissioner.

B. **Appointment.**

The president of the Commission and one other member shall be appointed by the Mayor. The President of the City Council, the City Attorney and the Controller shall each appoint one member. All appointments shall be subject to confirmation by a majority of the Council.

C. **Terms of Office.**

The members of the Commission, including the president, shall serve five-year terms beginning on July 1 and ending on June 30. The initial appointees shall be appointed within 30 days of the effective date of this article and (except for the president who shall serve the initial five-year term) shall serve staggered one to four year terms determined by lot. No member who has served a complete five-year term shall be eligible for reappointment.

D. **Qualifications.**

Each member of the Commission shall be a qualified elector of the City. No member or paid staff member of the citizen's commission involved with the development and preparation of this article shall be eligible for appointment to the Commission or for appointment as the executive officer of the Commission. During his or her tenure, neither a member of the Commission nor its executive officer shall hold any other public office, participate in or contribute to a City election campaign or to a City official running for any elective office, or employ or be employed as a person required to register as a lobbyist with the City of Los Angeles. Neither a member of the Commission nor its executive officer shall seek election to any City office concerning which the Commission has made a decision during the term of the Commissioner or executive officer unless the election for such office is to be held at least two years following the expiration of the term of office of the commissioner or executive officer.

E. **Removal.**

Members of the Commission may be removed by the Mayor, with the concurrence of the Council by majority vote, or by a two-thirds vote of the Council, for substantial neglect of duty, gross misconduct in office, inability to discharge the powers and duties of office or violation of this article, after written notice of the grounds on which removal is sought and an opportunity for a reply.

F. **Vacancies.**

Appointments to fill vacancies on the Commission shall be made within thirty days, by the same appointing authority who appointed the prior holder of the position. Appointments to fill vacancies shall be for the unexpired term of the member whom the appointee succeeds. A vacancy or vacancies shall not impair the right of the remaining members to exercise the powers of the Commission.

G. **Quorum.**

Three members shall constitute a quorum, and the concurring vote of at least three members shall be required to take any action.

H. **Compensation; Expenses.**

Members of the Commission shall be compensated in the same manner and at the same rate as provided by Charter Section 71. The members of the Commission shall be reimbursed for expenses incurred in the performance of their official duties.

I. **Executive Officer, Commission staff and Delegation of Authority.**

1. The Commission shall appoint and has the authority to discharge an executive officer, who shall act in accordance with Commission policies and regulations and with applicable law. The executive officer shall serve at the will of the Commission, shall not be subject to civil service requirements or procedures, and shall have no property interest in his or her employment. The salary of the executive officer shall be set by the Council, subject to approval of the Mayor, and shall be based on a recommendation submitted by the City Administrative Officer after a review and analysis of the responsibilities and authority vested in the position. The executive officer shall not serve the Commission for more than ten years.

2. The executive officer shall appoint and has the authority to discharge Commission staff members and prescribe their duties. Non-clerical personnel of the Commission shall serve at the

will of the executive officer, shall not be subject to civil service requirements or procedures, and shall have no property interest in their employment.

3. The Commission may delegate authority to the executive officer to act on behalf of the Commission between meetings of the Commission, except that rules, regulations and adjudicatory decisions can only be acted upon by the Commission.

J. Administration and Implementation.
The Commission shall have responsibility for the impartial and effective administration and implementation of the provisions of this Charter, statutes and ordinances concerning campaign financing, lobbying, conflicts of interest and governmental ethics.

K. Duties.
The City Ethics Commission shall have the following duties and responsibilities:

1. To receive documents required to be filed pursuant to, and to otherwise administer, the provisions of Section 312 of this Charter and to conduct audits as otherwise set forth in that section.

2. To receive documents required to be filed pursuant to, and to otherwise administer, the provisions of the City's lobbyist registration ordinance.

3. To act as the filing officer and to otherwise receive documents in any instance where the City Clerk would otherwise be authorized to do so pursuant to Chapters 4 and 7 of the California Political Reform Act of 1974 (Government Code Section 81000, et seq.), as amended.

4. To audit campaign statements and other relevant documents and investigate alleged violations of state law, this Charter and City ordinances relating to limitations on campaign contributions and expenditures, governmental ethics and conflicts of interest and to report the findings to the City Attorney and other appropriate enforcement authorities. Audits shall be conducted of every candidate receiving public matching funds and may be conducted of other candidates and committees involved in City elections.

5. To provide assistance to agencies and public officials in administering the provisions of this Charter and other laws relating to campaign finance, conflicts of interest and governmental ethics.

6. To make recommendations to the Mayor and the Council concerning campaign finance reform, governmental ethics and conflicts of interest and to report to the Council every three years concerning the effectiveness of such laws.

7. To maintain a whistle-blower hot line.

8. To annually adjust the limitation and disclosure thresholds required by City law to reflect any increases or decreases in the Consumer Price Index. Such adjustments shall be rounded off to the nearest hundred dollars for the limitations on contributions and the nearest thousand dollars for the limitations on expenditures and the matching fund provisions of relevant ordinances.

9. To assist departments in developing their conflict of interest codes as required by state law.

10. To advocate understanding of the Charter, City ordinances and the roles of elected and other public officials, City institutions and the City electoral process.

11. To have full charge and control of its office, to be responsible for its proper administration, to submit annually a proposed budget and to expend the funds of the office, all as otherwise prescribed by law.

12. To receive grants, gifts and appropriations, subject to the approval of the Council.

L. Rules and Regulations.

1. The Commission may adopt, amend and rescind rules and regulations, subject to Council approval without modification, to carry out the purposes and provisions of this Charter and ordinances of the City relating to campaign finance, conflicts of interest and governmental ethics and to govern procedures of the Commission.

2. Within forty-five (45) days after a rule or regulation is adopted by the Commission, the Council shall hold a public hearing concerning the matter and act to approve or disapprove such rule or regulation in the form approved by the Commission. If approved by the Council by ordinance, the rule or regulation shall have the force of law, and violation of the rule or regulation shall be subject to such penalties and remedies as may be provided by ordinance.

M. **Additional Duties.**

Pursuant to the provisions of Subsection L, the Commission shall:

1. Prescribe forms for reports, statements, notices and other documents required by this Charter, by ordinances, or by other laws, relating to campaign financing, conflicts of interest and governmental ethics.

2. Prepare and publish manuals and instructions setting forth methods of bookkeeping, preservation of records to facilitate compliance with and enforcement of the above laws, and explaining applicable duties of persons and committees.

3. Develop an educational program consisting of the following components:

(a) Seminars, when deemed appropriate, to familiarize newly elected and appointed officers and employees, candidates for elective office and their campaign treasurers, and lobbyists with City, state and federal ethics laws and the importance of ethics to the public's confidence in municipal government.

(b) Annual seminars for top-level officials, including elected officers and commissioners, to reinforce the importance of compliance with and to inform them of any changes in the law relating to conflicts of interest and governmental ethics.

(c) A manual which will include summaries, in simple, non-technical language, of ethics laws and reporting requirements applicable to City officers and employees, instructions for completing required forms, questions and answers regarding common problems and situations, and information regarding sources of assistance in resolving questions. The manual shall be updated when necessary to reflect changes in applicable City, state and federal laws governing the ethical conduct of City employees.

N. **Requests For and Issuances of Opinions; Advice.**

1. Any person may request the Commission to issue a written opinion with respect to his or her duties under provisions of this Charter or any ordinance relating to campaign finance, conflicts of interest or governmental ethics. The Commission shall, within 14 days, either issue a written opinion or advise

the person who made the request whether an opinion will be issued. No person who acts in good faith on a written opinion issued to him or her by the Commission shall be subject to criminal or civil penalties for so acting, provided that the material facts are as stated in the opinion request. The Commission's opinions shall be public records and may from time to time be published.

2. Any person may request the Commission to provide written advice with respect to the person's duties under provisions of this Charter or any ordinance relating to campaign finance, conflicts of interest or governmental ethics. Such advice shall be provided within 21 working days of the Commission's actual receipt of the request, provided that the time may be extended by the Commission for good cause. Reliance on such advice, or the failure of the Commission to provide such advice within 21 working days of its receipt of the request, or within the extended time for response, shall be a complete defense in any enforcement proceeding initiated by the Commission, and evidence of good faith conduct in any other civil or criminal proceeding if the requester, at least 21 working days prior to the alleged violation, requested written advice from the Commission in good faith, disclosed truthfully all the material facts, and committed the acts complained of either in reliance on the advice or because of the failure of the Commission to provide advice within 21 days of the request or such later extended time.

O. **Investigations and Enforcement Proceedings.**

1. **Conduct of Elected Officials, Members of certain Boards and Commissions, Candidates and Others.**

The Commission shall conduct investigations in accordance with this subdivision of (1) alleged violations of this Charter and City ordinances relating to campaign financing and lobbying; and (2) alleged violations of this Charter and City ordinances relating to conflicts of interest and governmental ethics by the Mayor, the City Attorney, the Controller, members of the City Council and members of the City boards and commissions who serve as the heads of their respective departments or agencies, and by other persons other than in their capacities as officers and employees of the City.

(a) **Investigations.**

(i) If the Commission, upon the sworn complaint of any person or on its own initiative, first determines that

there is sufficient cause to conduct an investigation, it shall investigate alleged violations of this Charter or City ordinances relating to campaign financing, lobbying, conflicts of interest and governmental ethics. A complaint filed with the Commission shall be investigated only if it identifies the specific alleged violation which forms the basis for the complaint and contains sufficient facts to warrant an investigation.

(ii) Within 14 days after receipt of a complaint, the Commission shall notify in writing the person who made the complaint of the action, if any, the Commission has taken or plans to take on the complaint, together with the reasons for such action or non-action. If no decision has been made within 14 days, the person who made the complaint shall be notified of the reasons for the delay and shall subsequently receive notification as provided above.

(iii) The investigation shall be conducted in a confidential manner. Records of any investigation shall be considered confidential information pursuant to Section 18362 of the California Code of Regulations, as amended, or successor provision. Any member or employee of the Commission or other person who, prior to a determination concerning probable cause pursuant to Subsection P, discloses information about any preliminary investigation, except as necessary to conduct the investigation, shall be liable to pay a monetary penalty pursuant to Subsection Q. The unauthorized release of confidential information shall be sufficient grounds for the termination of the employee or removal of the commissioner responsible for such release. The termination of clerical employees only shall be subject to applicable civil services laws and procedures.

(b) **Findings of Probable Cause.** No finding of probable cause to believe that a provision of this Charter or City ordinances relating to campaign financing, lobbying, conflicts of interest or governmental ethics has been violated shall be made by the Commission unless, at least 21 days prior to the Commission's consideration of the alleged violation, the person alleged to have committed the violation is notified of the alleged violation by service of process or registered mail with return receipt requested, is provided with a summary of the evidence, and is informed of his or her right to be present in person and represented by counsel at any proceeding of the Commission held for the purpose of considering whether

probable cause exists for believing the person committed the violation. Notice to the alleged violator shall be deemed made on the date of service, the date the registered mail receipt is signed, or, if the registered mail receipt is not signed, the date returned by the post office. A proceeding held for the purpose of considering probable cause shall be private unless the alleged violator files with the Commission a written request that the proceeding be public.

(c) **Administrative Orders and Penalties.**

(i) When the Commission determines there is probable cause for believing a provision of this Charter or City ordinance has been violated, it may hold a public hearing to determine if such a violation has occurred. When the Commission determines on the basis of substantial evidence presented at the hearing that a violation has occurred, it shall issue an order which may require the violator to:

a. Cease and desist the violation;

b. File any reports, statements or other documents or information required by law; and/or

c. Pay a monetary penalty to the General Fund of the City of up to five thousand dollars ($5,000) for each violation or three times the amount which the person failed to report properly or unlawfully contributed, expended, gave or received, whichever is greater.

When the Commission determines that no violation has occurred, it shall publish a declaration so stating.

(d) Any person who violates any provision of this Charter or of a City ordinance relating to campaign financing, lobbying, conflicts of interest or governmental ethics, or who causes any other person to violate any such provision, or who aids and abets any other person in such violation, shall be liable under the provisions of this section.

2. **Conduct of Appointed Officers and City Employees.** The Commission shall conduct investigations of alleged violations of this Charter and City ordinances relating to conflicts of interest and governmental ethics by appointed officers and employees, and shall impose penalties and other sanctions for such violations, as may be prescribed by ordinance.

P. **Divestiture.**

In the event a member of a City board or commission is disqualified during any 365 day period from acting on (1) three or more agenda matters by reason of the same investment in a business entity, the same interest in real property or the same source of income, or (2) 1% or more of the matters pending before the board or commission by reason of any investments in business entities, any interests in real property or any sources of income, the Commission shall examine the nature and extent of the conflicts and shall determine whether the member has a significant and continuing conflict of interest. If the Commission so determines, it shall order divestment of the conflicting investment, interest or source of income. The Council may, by ordinance, impose additional requirements to assure that continuing conflicts of interest by members of boards and commissions are adequately monitored and avoided.

Q. **Legal Services.**

The City Attorney shall provide legal services to the Commission. Notwithstanding Section 42 of the Charter, the Commission may employ or contract for staff counsel to give advice to the Commission and to take such action as the Commission may direct on matters which directly involve the conduct of the City Attorney, his or her office, or his or her election campaign.

R. **Subpoena Power.**

1. The Commission and any special prosecutor may subpoena witnesses, compel their attendance and testimony, administer oaths and affirmations, take evidence and require by subpoena the production of any books, papers, records or other items material to the performance of the Commission's duties or exercise of its powers.

2. Unless and until the City Attorney is given access to the Grand Jury on the same basis as the District Attorney for the purpose of enforcing state and City conflicts of interest, ethics and campaign finance laws and regulations, the City Attorney shall be given the same authority as the Commission in Subdivision 1.

S. **Judicial Review.**

Any interested person may seek judicial review of any action of the Commission. (Sec. Added, 1990.)

Sec. 601. Appointment of Special Prosecutor.

A. Notwithstanding Charter Section 42, when the City Attorney determines that his or her office has a possible conflict of interest and that his or her office therefore should not investigate or prosecute alleged violations of this Charter, City ordinances or regulations, or statutes relating to campaign financing, lobbying, conflicts of interest or governmental ethics, the City Attorney shall so notify the City Ethics Commission, which by a four-fifths vote of all of its members may request the appointment of a special prosecutor to conduct the investigation. A special prosecutor shall not be appointed when it appears from a preliminary investigation that an alleged violation will warrant only an action for civil damages or administrative penalties.

B. The request for the appointment of a special prosecutor shall be made to a standing committee composed of three retired judges selected by the Commission at the beginning of each odd-numbered year. The three judge panel shall name the special prosecutor, who upon such appointment shall have the authority to file and prosecute criminal and civil actions in the name of the People.

C. Each fiscal year there shall be included in the budget of the City Ethics Commission the sum of $250,000 for expenditure to support any special prosecutor appointed pursuant to this section. In the event that all such funds have been or are likely to be expended before the end of any fiscal year, the Commission may request the Council for an additional appropriation. Under no circumstance shall the amount appropriated or provided under contract for a special prosecutor exceed $250,000 in any fiscal year without Council approval. The Council shall have thirty (30) days (excluding weekends and holidays) following its receipt to accept, reject, or modify such a request from the Commission. The Mayor shall act on the Council's action within five days (excluding weekends and holidays). If the Mayor vetoes the Council's action, the Council shall have five days (excluding weekends and holidays) to override that veto by a two-thirds vote.

D. A special prosecutor appointed pursuant to this section may be removed from office only by the action of the Commission, and only for good cause, physical disability, mental incapacity, or any other condition that substantially impairs the performance of the special prosecutor's duties. (Sec. Added, 1990.)

Sec. 602. Transfer of Powers.

Notwithstanding Section 32.1 of the Charter, the Mayor and City Council shall not transfer powers, duties or functions of the Commission to any department, bureau, board or other agency. (Sec. Added, 1990.)

Sec. 603. Appropriation.

The City Council shall appropriate funds for the Commission for the first two years after the effective date of this article. Such funds shall be appropriated into a special fund to be established by ordinance. The Council shall thereafter appropriate funds for the Commission at least one year in advance of each subsequent fiscal year. (Sec. Added, 1990.)

Sec. 604. Conflict with other Charter Provisions.

In the event any provision of this article conflicts with other provisions of this Charter, this article shall prevail. (Sec. Added, 1990.)

Sec. 605. Authority.

This article is adopted pursuant to and under the authority of Article XI, Section 5 of the California Constitution, and California Government Code Section 81013. (Sec. Added, 1990.)

CITY OF LOS ANGELES

GOVERNMENTAL ETHICS ORDINANCE

Revised September 1992
(Prepared by the City Ethics Commission)

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City of Los Angeles
Governmental Ethics Ordinance

Article 9.5 of Chapter IV of the Los Angeles Municipal Code

Added to the Los Angeles Municipal Code by Ordinance 165,618.
Amended by Ordinances 167,949, 168,056 and 168,057.

SEC. 49.5.1. Title, Findings and Purposes.

A. Title. This Article shall be known as the City of Los Angeles Governmental Ethics Ordinance.

B. Findings. The following findings are adopted in conjunction with the enactment of this Article:

1. As one of the great international cities of the world, Los Angeles will continue to confront great and complex opportunities and problems of both local and global significance.

2. One of the best ways to attract talented people to public service is to assure that the government is respected for its honesty and integrity; that its decisions are made on the merits, untainted by any consideration of private gain; and that the rules governing their conduct during and after leaving government service are as clear and complete as possible.

3. A governmental ethics ordinance that is as clear, tough, fair, comprehensive and effective as any in the nation is therefore needed.

C. Purposes. This Article is adopted to accomplish the following purposes.

1. To assure that individuals and interest groups in our society have a fair and equal opportunity to participate in the governmental process.

2. To assure that the governmental process itself promotes fairness and equity for all residents of the City regardless of race, color, creed, religion, national origin, age, sex, marital status, sexual orientation or disability.

3. To require elected City officers and key City officials to disclose all investments, interests in real property and income in order to

prevent conflicts of interest.

4. To prevent elected City officers and key City officials from receiving outside earned income that creates a potential conflict of interest.

5. To prevent certain City officials from lobbying the City for at least one year after they leave City service.

6. To increase understanding of the City Charter, ordinances and the roles of elected City officers and other public officials, City agencies and the City election progress.

7. To help restore public trust in governmental and electoral institutions.

8. To assure that this Article is vigorously enforced.

SEC. 49.5.2. Definitions.

The following terms used in this Article shall have the meanings set forth below. Except as otherwise provided herein, the terms and provisions of this Article shall have the meanings and shall be interpreted in accordance with the applicable definitions and provisions of the Political Reform Act of 1974, as amended (Government Code Section 81000, et seq.) and the regulations of the California Fair Political Practices Commission, as amended.

"Administrative action" means the proposal, drafting, development, consideration, amendment, enactment or defeat by any City agency of any matter, including any rule, regulation or other action in any regulatory proceeding or any proceeding involving a contract, license, permit, franchise, or entitlement for use, whether quasi-legislative or quasi-judicial. Administrative action does not include any action which is solely ministerial.

"Agency" means the City of Los Angeles or any department, bureau, office, board, commission, other agency of the City, or any other government agency, required to adopt a conflict of interest code subject to City Council approval. With respect to employees of a Councilmember's staff and employees of the Chief Legislative Analyst's office, "agency" means the City Council.

"City official" means any elective City officer, member, officer,

employee, commissioner or consultant of any agency required to adopt a conflict of interest code subject to City Council approval, and who is required to file statements of economic interests pursuant to the conflict of interest code of his or her agency.

"Confidential information" means information to which all of the following apply:

(1) At the time of the use or disclosure of the information, the information is not a public record subject to disclosure under the California Public Records Act.

(2) At the time of the use or disclosure of the information, the disclosure is prohibited by (i) a statute, regulation, or rule which applies to the agency in which the officer or employee serves; or (ii) any limitation placed on outside employment pursuant to Section 49.5.11 of this Code.

(3) The use of disclosure of the information will have, or could reasonably be expected to have, a material financial effect on any investment or interest in real property which the officer or employee, or any person who provides pecuniary gain to the officer or employee in return for the information, has at the time of the use or disclosure of the information or acquires within 90 days following the use or disclosure of the information.

"Co-owner" means a person who resides in, does business in, plans to do business in or owns an interest in real property located within the City of Los Angeles, and either (1) possesses a 10 percent or greater ownership, security, or leasehold interest in real property in which a filer also possesses an interest, or (2) possesses a 10 percent or greater investment in a business entity in which a filer also owns an investment. A "co-owner" does not include (1) any member of the official's immediate family or (2) any commercial lending institution which made a loan in the lender's regular course of business on terms available to members of the public without regard to official status.

"Dependent child" means a child who is either (1) unmarried, under the age of 21 and living in same household as the filer or (2) otherwise listed as a dependent of the filer for federal income tax purposes.

"Disclosable" means an investment, interest in real property, source of

income, gift, loan, honorarium or travel expenses, or business position, which the filer is required to disclose pursuant to Article 2 of Chapter 7 of the Political Reform Act of 1974, as amended, or pursuant to the conflict of interest code of the filer's agency.

"Doing Business with the City" means entering into or performing pursuant to a contract with the City of Los Angeles, an agency of the City or another local government agency required to adopt a conflict of interest code subject to City Council approval. Doing business with the City includes entering into or performing contracts for goods, equipment, services or financial assistance but does not include the receipt of or payment for services normally rendered by the City to residents and businesses, such as sewer service, water and power, street maintenance and the like.

"Elective City Officer" means any person who is a City Council Member, City Attorney, Controller or Mayor, whether appointed or elected.

"Foreign Gift" means a gift from an individual domiciled in a foreign country, a foreign government, or a business entity or other entity having its principal place of business located in a foreign country, which gift is accepted by a City official either while that official is traveling abroad or from the donor while that donor is visiting the United States. A foreign gift includes (1) an otherwise qualifying gift of food, beverages or customary business entertainment cumulatively valued at no more than $250 during any calendar year accepted by an official during the course and scope of official business and (2) an otherwise qualifying gift which is accepted by the official on behalf of the City of Los Angeles and which gift is transmitted to and becomes the property of the City. A foreign gift does not include a gift from any corporation organized under the laws of the United States, or under the laws of any state or territory of the United States.

"Gift" means, except as otherwise provided in this definition, any payment to the extent that consideration of equal or greater value is not received and includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public without regard to official status. Any person, other than a defendant in a criminal action, who claims that a payment is not a gift by reason of receipt of consideration has the burden of proving that the consideration received is of equal or greater value. The term "gift" does not include:

(1) Informational material such as books, reports, pamphlets,

calendars, periodicals, seminars, or informational conferences, exclusively for official or office use and valued at less than $250 (except that such dollar limit does not apply to informational material received from a government agency). No payment for travel or reimbursement of any expenses shall be deemed "informational material."

(2) Gifts which are not used and which, within 30 days after receipt, are returned to the donor or delivered to a charitable organization without being claimed as a charitable contribution for tax purposes.

(3) Gifts from an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, partner in a bona fide dating relationship, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person; provided that a gift from any such person shall be considered a gift if the donor is acting as an agent or intermediary for any person not covered by this paragraph.

(4) Campaign contributions required to be reported under Chapter 4 of the Political Reform Act of 1974, as amended.

(5) Any devise or inheritance.

(6) Personalized plaques and trophies with an individual value of less than two hundred fifty dollars ($250).

(7) Gifts of food, beverages or occasional lodging provided in an individual's home.

(8) Gifts valued at no more than $100 from an individual to a City official or to a member of the official's immediate family in connection with a non-recurring ceremonial occasion.

"High Level Filer" means the Mayor, City Attorney, Controller, member of the City Council, member of the City Ethics Commission and Executive Officer of the City Ethics Commission.

"High Level Official" means the Mayor, the City Attorney, the Controller, the members of the City Council, the Chief Executive Assistant to the Mayor, the Chief Administrative Assistant to the Mayor, the Director and Assistant Director of the City Economic Development Office, each Executive Assistant to the Mayor, each Principal Administrative Coordinator in the Office

of the Mayor, the News Secretary to the Mayor, each Special Assistant to the Mayor, the Executive Assistant City Attorney, each Chief Assistant City Attorney, each Senior Counsel, the Chief Deputy Controller, the Administrative Coordinator to the Controller, two members of the staff of each City Council office possessing the most decision-making responsibilities relative to governmental policy as designated by each member of the Council, the members of the City Ethics Commission, the Executive Officer of the City Ethics Commission, the members of the City Planning Commission, the Director of Planning, the members of the Board of Public Works, the City Administrative Officer, each Assistant City Administrative Officer, the Chief Legislative Analyst, each Assistant Chief Legislative Analyst, the Treasurer, and the City Clerk. In addition, "high level official" means any other member of the staff of an elected City officer possessing significant decision-making responsibilities relative to governmental policy as may be designated in writing to the City Ethics Commission by the elected City officer.

"Honorarium" means a payment for speaking at any event, participating in a panel or seminar or engaging in any similar activity. An "honorarium" does not include free admission, food, beverages and similar nominal benefits provided to an officer or employee of the City at an event at which he or she speaks, participates in a panel or seminar or performed a similar service, nor does it include reimbursement or advances for actual intrastate travel or for necessary accommodations provided directly in connection with the event.

"Legislative action" means the drafting, introduction, consideration, modification, enactment, or defeat of any ordinance, charter amendment, resolution, amendment, report, nomination or other matter by the City Council or by any committee, subcommittee thereof, or by a member or employee of the City Council acting in his or her official capacity. "Legislative action" also means the action of the Mayor in approving or vetoing any ordinance or resolution.

"License, permit or other entitlement for use" means any business, professional, trade or land use license or permit, any other entitlement for use, (including all entitlement for land use), any contract (other than labor, personal employment, or competitively bid contracts), and any franchise.

"Lobbying Firm" means any business entity, including an individual contract lobbyist, which meets either of the following criteria:

(a) the business entity received or becomes entitled to receive any compensation, other than reimbursement for reasonable travel

expenses, for the purpose of influencing legislative or administrative action on behalf of any other person; and any partner, owner, officer, or employee of the business entity is a lobbyist; or

(b) the business entity receives or becomes entitled to receive any compensation, other than reimbursement for reasonable travel expenses, to communicate directly with any elective city officer, agency official, or legislative official for the purpose of influencing legislative or administrative action on behalf of any other person.

"Lobbyist" means any individual who is required to register as a lobbyist or municipal legislative advocate pursuant to any City ordinance requiring such registration.

"Lobbyist employer" means any person, other than a lobbying firm, who:

(a) Employs one or more lobbyists for economic consideration, other than reimbursement for reasonable travel expenses, for the purpose of influencing legislative or administrative action, or

(b) Contracts for the services of a lobbying firm for economic consideration, other than reimbursement for reasonable travel expense, for the purpose of influencing legislative or administrative action.

"Participant" means any person who is not a party but who actively supports or opposes a particular decision in a proceeding involving a license, permit, or other entitlement for use and who has a financial interest in the decision, as described in Article 1 (commencing with Section 87100) of Chapter 7 of the Political Reform Act of 1974, as amended. A person actively supports or opposes a particular decision in a proceeding if he or she lobbies in person the officers or employees of the agency, testifies in person before the agency, or otherwise acts to influence officers of the agency.

"Party" means any person who files an application for, or is the subject of, a proceeding involving a license, permit, or other entitlement for use.

"Pecuniary Gain" means any monetary benefit to a person or to a member of the person's immediate family.

"Person" means an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, association, committee, or any other organization or group of persons acting in concert.

"Proceeding involving a license, permit or other entitlement for use"

includes any proceeding to grant, deny, revoke, restrict, or modify a license, permit or other entitlement for use.

"Restricted source" means the following with regard to each of the following classes of City officials:

(1) With regard to "high level filers" and "high level officials," "restricted source" means:

(a) a lobbyist, lobbying firm, or lobbyist employer;

(b) a person doing or seeking to do business with the City;

(c) a person who, during the reporting period, knowingly attempted to influence the official in any legislative or administrative action which would have a direct material financial effect on such person; or

(d) a person who is a party to a proceeding involving a license, permit or other entitlement for use while a proceeding involving such matter is, or within the prior nine months was, pending before the official or before the City Council or a board, commission, committee, or other similar body of which the official is a voting member, and for nine months following the date a final decision is rendered in the proceeding.

(2) With regard to filers other than "high level filers" and with regard to officials other than "high level officials," "restricted source" means:

(a) a lobbyist, lobbying firm, or lobbyist employer, seeking to influence decisions of the filer's agency;

(b) a person doing or seeking to do business with the filer's agency;

(c) a person who, during the reporting period, knowingly attempted to influence the official in any legislative or administrative action which would have a direct material financial effect on such person;

(d) or a person who is a party to a proceeding involving a license, permit or other entitlement for use while a proceeding involving such matter is, or within the prior nine months was, pending before the official or before a board, commission, committee or other similar body of which the official is a voting member, and for nine months following the date a final decision is rendered in the proceeding.

(3) With regard to all filers and all City officials, a "restricted source" does not include an individual (other than a lobbyist) who is employed by a restricted source, provided that the gift or income is neither paid for by the employer nor provided at the direction of the employer.

SEC. 49.5.3. Confidential Information.

No current or former officer or employee of the City shall use or disclose to any other person for pecuniary gain or personal advantage or privilege, confidential information acquired by him or her in the course of his or her official duties.

SEC. 49.5.4. Protection of Employees Against Retaliation for Reporting Fraud, Waste or Misuse of Office.

A. No officer or employee of the City shall use or threaten to use any official authority or influence to discourage, restrain or interfere with any other person for the purpose of preventing such person from acting in good faith to report or otherwise bring to the attention of the City Ethics Commission or other appropriate agency, office or department any information which, if true, would constitute: a work-related violation by a City officer or employee of any law or regulation, gross waste of City funds, gross abuse of authority, a specified and substantial danger to public health or safety due to an act or omission of a City official or employee, use of a City office or position or of City resources for personal gain, or a conflict of interest of a City officer or employee.

B. No officer or employee of the City shall use or threaten to use any official authority or influence to effect any action as a reprisal against a City officer or employee who reports or otherwise brings to the attention of the Commission or other appropriate agency, office or department any information regarding the subjects described in Subsection A.

C. Any person who believes that he or she has been subjected to any action prohibited by this section may file a complaint with the Equal Employment Opportunities Section of the Human Resources and Benefits Division of the City Personnel Department. That section shall thereupon investigate the complaint and thereafter prepare a report thereon. The report shall be forwarded to the Mayor and to the Human Resources and Labor Relations Committee of the City Council for their consideration. A copy of such report shall be filed with the City Ethics Commission.

SEC. 49.5.5. Unwarranted Use of City Position, Facilities, or Equipment.

No officer or employee of the City, and no candidate for elective City office, shall use his or her position or prospective position, or the power or

authority of his or her office or position, in any manner intended to induce or coerce any person to provide, directly or indirectly, anything of value which shall accrue to the private advantage, benefit, or economic gain of the officer or employee, or of any other person. As used in this section, the term "private advantage, benefit, or economic gain" means any personal advantage, benefit or economic gain, distinct from that enjoyed by members of the public without regard to official status or not resulting naturally from lawful and proper performance of duties.

SEC. 49.5.6. Disclosure of Economic Interests.

A. Persons Required To File.

The Mayor, City Attorney, Controller, member of the City Council and each other City official who is a designated employee pursuant to the conflict of interest code of his or her agency shall file a statement of economic interests pursuant to the Political Reform Act of 1974, as amended, and shall additionally file a financial disclosure statement pursuant to the provisions of this section. There shall be two classes of filers, (1) "high level filers" and (2) "other filers," who shall include all filers other than "high-level filers".

B. Disclosure Periods and Filing Deadlines.

On or before April 1 of each calendar year, all filers shall file a statement of economic interests and a financial disclosure statement pursuant to this section covering a disclosure period of January 1 through December 31 of the previous calendar year. On or before October 1 of each calendar year, all filers shall either certify that there have been no changes in their reportable financial interests during the period of January 1 through June 30 or shall file a semi-annual financial disclosure statement disclosing any changes in their reportable financial interests which occurred during that period.

C. Disclosure Requirements for High-Level Filers:

1. In addition to statements of economic interests filed pursuant to the Political Reform Act of 1974, as amended, high-level filers shall file financial disclosure statements disclosing the following financial interests:

(a) Any investment, regardless of whether the business entity is located in; owns an interest in real property within; or

does, within the prior two years did, or plans to do business in the City of Los Angeles, and the name and address of any co-owner of the business entity.

(b) Any interest in real property (other than a personal residence), regardless of whether the real property is located within the jurisdiction, and the name and address of any co-owner of such real property.

(c) Any income (including loans, honoraria, travel expenses, gifts, and the filer's community property interest in income of a spouse) regardless of whether the source of income resides in; owns an interest in real property located within; or does, within the prior two years did, or plans to do business in the City of Los Angeles.

(d) Separate property income (including loans, honoraria, travel expenses and gifts) of a filer's spouse from a restricted source and income of a dependent child from a restricted source.

(e) Income required to be disclosed by this subsection includes income from a governmental agency other than the City of Los Angeles. Income required to be disclosed by this subsection does not include travel or reasonable subsistence expenses paid by a spouse's or dependent child's employer for employment-related travel.

(f) The name and address of each general partner of a partnership in which the filer has an investment valued at $1,000 or more, together with the name of the partnership.

(g) For any investment required to be disclosed by this subsection or any interest in real property (including both an interest required to be disclosed by this subsection and the filer's personal residence) that was purchased during the reporting period:

(i) the name of the business entity, or the location of the real property by street address, city and state, provided, however, that the address of the filer's personal residence need not be disclosed;

(ii) the purchase price of the investment or interest in real property (rounded to the nearest $1,000);

(iii) the name and address of the seller.

The filer's initial financial disclosure statement shall disclose any such transaction which occurred within one year prior to the filing of such statement.

This paragraph (g) shall not require any disclosure relating to a transaction which occurred on a regulated trading market or stock exchange in connection with which the identities of the purchaser and seller are unknown to one another.

(h) For any investment required to be disclosed by this section or any interest in real property (including both an interest required to be disclosed by this subsection and the filer's personal residence) that was sold during the reporting period:

(i) the name and address of the business entity, or the location the real property by street address, city and state, provided, however, that the address of the filer's personal residence need not be disclosed;

(ii) the selling price of the investment or interest in real property (rounded to the nearest $1,000);

(iii) the name and address of the purchaser.

This paragraph (h) shall not require any disclosure relating to a transaction which occurred on a regulation trading market or stock exchange in connection with which the identities of the purchaser and seller are unknown to one another.

2. Except as otherwise provided in this subsection, the information required to be disclosed with respect to each financial interest, and the manner of disclosing that information, shall be the same as required by Article 2 of Chapter 7 of the Political Reform Act of 1974, as amended, or by the conflict of interest code of the filer's agency.

3. The value of investments, interests in real property and

income (including loans, honoraria, travel expenses, spousal income and income of a dependent child) shall be disclosed in the following amounts:

(a) Investment and interests in real property:

(i) Between $1,000 and $9,999, the value rounded to the nearest thousand;
(ii) Between $10,000 and $99,999, the value rounded to the nearest $10,000;
(iii) Between $100,000 and $250,000, the value rounded to the nearest $25,000, and
(iv) Over $250,000, the value rounded to the nearest $50,000.

(b) Income (including loans, honoraria, travel expenses, spousal income and income of a dependent child):

(i) Between $250 and $1,000;
(ii) Between $1,001 and $99,999, the value rounded to the nearest $1,000.
(iii) At and above $100,000, the value rounded to the nearest $10,000.

4. The value of real property shall be disclosed pursuant to Subdivision 3 based on the County Assessor's assessed valuation of the property.

5. If an investment is listed on a securities exchange within the United States, the filer may, instead of disclosing the dollar value, disclose the largest number of shares of stock owned, or the highest par value of bonds or debentures owned, during the reporting period.

6. If the actual value of an asset is not known by the filer, a good faith estimate based on a reasonable inquiry shall satisfy the requirement of this subsection. In no event shall a filer be required to retain the services of an appraiser in order to comply with this subsection.

D. Disclosure Requirements For Other Filers:

1. In addition to statements of economic interests filed pursuant to the Political Reform Act of 1974, as amended, other

filers shall file financial disclosure statements disclosing the following financial interests:

(a) Any disclosable investment.

(b) Any other investment, whether or not located within or doing business in the City of Los Angeles, and whether or not owning an interest in real property located within the jurisdiction, if any co-owner of the business entity engages in any activity within the City of Los Angeles described in or covered by the filer's disclosure category of his or her agency's conflict of interest code. The name and address of any disclosable co-owner of any such business entity shall also be disclosed.

(c) Any disclosable interest in real property.

(d) Any other interest in real property, not located within the jurisdiction, if any co-owner of the real property engages in any activity within the City of Los Angeles described in or covered by the filer's disclosure category of his or her agency's conflict of interest code. The name and address of any disclosable co-owner of any such real property shall also be disclosed.

(e) Any disclosable income (including loans, honoraria, travel expenses, gifts and the filer's community property interest in income to a spouse).

(f) Income received from a government agency other than the City of Los Angeles and other than a government agency for which the City Council is the code reviewing body for its conflict of interest code, if the agency would be a disclosable source of income were it a business entity rather than a government agency.

(g) Separate property income (including loans, honoraria, travel expenses, and gifts) of the filer's spouse from a restricted source and income of a dependent child from a restricted source, if the source of income would be a disclosable source if received directly by the filer. Income to a spouse or dependent child does not include travel or reasonable subsistence expenses, paid by a spouse's or dependent child's employer for employment-related travel.

(h) The name and address of each general partner of a partnership in which the filer has an investment (required to be disclosed by this subsection) valued at $1,000 or more, together with the name of the partnership. The identity of a partner is required to be disclosed by this subsection only if the partner engages in any activity within the City of Los Angeles described in or covered by the filer's disclosure category of his or her agency's conflict of interest code.

(i) For any investment required to be disclosed by this subsection or any interest in real property (including both an interest required to be disclosed by this subsection and the filer's personal residence) that was purchased during the reporting period from a person engaged in the City of Los Angeles in an activity described in or covered by the disclosure category of the filer's conflict of interest code:

(i) the name of the business entity, or the location of the real property by street address, city and state, provided, however, that the address of the filer's personal residence need not be disclosed;

(ii) the purchase price of the investment or interest in real property (rounded to the nearest $1,000);

(iii) the name and address of the seller.

The filer's initial financial disclosure statement shall disclose any such transaction which occurred within one year prior to the filing of such statement.

This paragraph (i) shall not require any disclosure relating to a transaction which occurred on a regulated trading market or stock exchange in connection with which the identities of the purchaser and seller are unknown to one another.

(j) For any investment required to be disclosed by this subsection or any interest in real property (including both an interest required to be disclosed by this subsection and the filer's personal residence) that was sold during the reporting period to a person engaged in the City of Los Angeles in an activity described

in or covered by the disclosure category or the filer's conflict of interest code:

(i) the name of the business entity, or the location of the real property by street address, city and state, provided, however, that the address of the filer's personal residence need not be disclosed;

(ii) the selling price of the investment or interest in real property (rounded to the nearest $1,000);

(iii) the name and address of the purchaser.

This paragraph (j) shall not require any disclosure relating to a transaction which occurred on a regulated trading market or stock exchange in connection with which the identities of the purchaser and seller are unknown to one another.

2. Except as otherwise provided in this subsection, the information and amounts required to be disclosed with respect to each financial interest, and the manner of disclosing that information, shall be the same as required by Article 2 of Chapter 7 of the Political Reform Act of 1974, as amended, or by the conflict of interest code of the filer's agency.

3. The value of real property shall be disclosed pursuant to Subdivision 3 based on the County Assessor's assessed valuation of the property.

4. If an investment is listed on a securities exchange within the United States, the filer may, instead of disclosing the value, disclose the largest number of shares of stock owned, or the highest par value of bonds or debentures owned, during the reporting period.

5. If the actual value of an asset is not known by the filer, a good faith estimate based on a reasonable inquiry, shall satisfy the requirement of this subsection. In no event shall a filer be required to retain the services of an appraiser in order to comply with this subsection.

E. Additional Disclosure Requirement Pursuant To Regulations of the City Ethics Commission.

The City Ethics Commission may, by regulation, require disclosure by filers of specific types of financial interests, in addition to those interests required to be disclosed pursuant to Subsection D of this section, if the interest could with reasonable foreseeability be affected materially by the filer's exercise of his or her official duties.

F. Exception If Disclosure Would Violate Legally Recognized Privilege.

A filer need not disclose the name of a person who paid fees or made payments to the filer or to a business entity in which the filer or the filer's spouse owns an investment if disclosure of the person's name would violate a legally recognized privilege under California law, such as but not limited to the attorney-client and the physician-patient privileges. Such person's name may be withheld in accordance with the rules relating to privilege applicable to disclosure under the California Political Reform Act of 1974, as amended, and pursuant to the procedure established by 2 California Code of Regulations Section 18740, as amended, or by a successor regulation.

G. Disclosure By Consultants.

1. The City Ethics Commission shall adopt by regulation a definition of "consultants" who are required to file statements of economic interest. In addition to the disclosure requirements of the Political Reform Act, such consultants shall identify their other clients who paid them more than $10,000 during the previous year and shall disclose such other information that the Commission determines, by regulation, is necessary to identify potential conflicts of interest.

2. Each consultant who is required to file a statement of economic interest shall be required to attend a training program conducted or sponsored by the Commission.

H. On a semi-annual basis, the City Ethics Commission shall publish a list identifying for each agency any person who, during the prior six months, was a party to a contract with the City, was a bidder on any City

contract, or responded to a request for proposals for a contract with the City.

SEC. 49.5.7. Disclosure By Nominees.

A. Each person nominated to a position in any government agency subject to a conflict of interest code, where appointment is subject to confirmation by the Council, shall file a financial disclosure statement with the City Ethics Commission prior to consideration of his or her appointment by the Council in the form required by Section 49.5.6.

B. Prior to consideration of the confirmation of the nominee by the Council, the Commission shall review the statements filed pursuant to this section and shall report to the Council, or to its committee confirming the appointment, those investment, interests in real property or sources of income which the Commission determines would constitute a potential conflict of interest.

SEC. 49.5.8. Divestiture of Assets.

Every City agency shall make every effort to avoid hiring or appointing City officials who hold, and are unwilling or unable to sell, assets that would present significant and continuing conflicts of interest.

SEC. 49.5.9. Restrictions on Honoraria and Outside Earned Income.

A. Prohibition of Outside Earned Income - Elected City Officers. Pursuant to City Charter Section 65, the Mayor, City Attorney, Controller and members of the City Council shall not receive any compensation, including honoraria, for their services other than that provided for by City Charter Section 65, except that which may be provided for their serving on governmental entities where payment is authorized for other governmental officers or employees serving in such capacity.

B. Restrictions on Honoraria and Other Outside Earned Income - Other Full Time City Officials and Employees.

1. Except as provided in Subsection A of this section, no full

time City official shall accept any honoraria or other outside earned income without the prior written approval of the general manager or other chief administrative officer of his or her department, and, in the case of a source of income which the general manager or other chief administrative officer determines is a restricted source for that official, without the prior written approval of the City Ethics Commission.

2. The approval required by Subdivision 1 of this subsection shall be denied if the general manager, other Chief administrative officer or City Ethics Commission determines that the receipt of the income would be inconsistent, incompatible, in conflict with or inimical to the City official's official duties, functions or responsibilities. In so determining, the general manager, other Chief administrative officer and City Ethics Commission shall consider whether one or more of the following factors is applicable:

(a) Whether the payment or the services for which the payment would be received creates the appearance of or involves actual use of public office or employment or the time, facilities, equipment or supplies of the official's agency, for private gain;

(b) Whether the payment or services for which the payment would be received involves the acceptance by the official or any money or other consideration from anyone other than his or her agency for the performance of an act which the official, if not performing such act for the outside source of income, would be required or expected to render in the regular course or hours of his or her duties as a City official;

(c) Whether the City official is in a position to make, to participate in making, or to influence a potential governmental decision that could foreseeably have a material financial effect on the source of income;

(d) Whether the payment or services for which the payment would be received involves the performance of any act in other than an official capacity which may later be subject, directly or indirectly, to the control, inspection, review, audit or enforcement of any other official of his or her agency;

(e) Whether the services involve such time demands that

would render the official's performance or his or her official duties less efficient.

3. A request to the City Ethics Commission for approval pursuant to this subsection shall be treated as a request for written advice.

4. In the case of a request for approval by a member of the Board of Public Works or by any general manager or other Chief administrative officer of any agency, the request shall be made to his or her appointing authority and, if required by Subdivision 1, to the City Ethics Commission. In the case of a request for approval by an employee of the office of a member of the City Council, the request shall be made to that member of the City Council and, if required by Subdivision 1, to the City Ethics Commission.

SEC. 49.5.10. Restrictions on Gifts and Travel Expenses.

A. Restriction on Gifts.

1. No person shall offer or make, and no City official shall solicit or accept, any gift with the intent that the City official will be influenced thereby in the performance of any official act.

2. No City official shall knowingly solicit any gift from a restricted source.

3. Except in the case of a lobbyist or lobbying firm, no person who is a restricted source shall offer or make, and no City official shall accept, any gift from a restricted source which would cause the cumulative amount of gifts from such source to the City official to exceed $100 during any calendar year.

4. No lobbyist or lobbying firm shall make, and no City official shall accept, any gift from a lobbyist or lobbying firm which is a restricted source as to that official. The prohibition of this subdivision shall not apply to gifts of office or other hospitality, or other gifts of nominal value, so long as the cumulative value of such gifts from a single source does not exceed $25 during any calendar year.

5. No lobbyist or lobbying firm shall act as an agent or intermediary in the making of any gifts or arrange for the making of any gift by another person

to any City official.

6. The provisions of Subdivision 3 of this subsection do not apply to foreign gifts made to an officer or employee of the City when representing the Department of Airports or the Harbor Department, which gift is disclosed by that official to the City Ethics Commission within 30 days after receipt on a form prescribed by the Commission.

7. For the purpose of this subsection, the term "gift" does not include:

(a) Items received by a City official which are not kept but which are turned over to the City within 30 days after their receipt.

(b) Meals provided to a City official at an event at which the official speaks, participates in a seminar or similar activity or provides a similar service.

(c) Travel expenses and meals paid for by a local, state, federal or foreign government agency.

(d) Items received by a bargaining unit member from a union representing that City official.

(e) Food and beverages received from any union by a City official who is a member of a union representing a bargaining unit of City officials.

(f) Payment for travel expenses from a campaign committee; a nonprofit organization of which the City official is a member; or an organization of which the City, an agency, or the official is a member acting in an official City capacity.

(g) Gifts to non-elected City official for legal expenses related to an enforcement action brought under City or state ethics laws.

8. A City official may request the City Ethics Commission to provide that official with written advice concerning the legality of accepting any specific gift. Such request shall contain sufficient information to allow the Commission or its staff to properly consider the matter. The Commission or its staff shall provide written advice in response to such a request within 10 working days after the Commission's receipt of the request.

B. Restrictions on Travel Advances and Reimbursements.

1. No person shall offer or make, and no City official shall solicit or accept, any advance or reimbursement for travel expenses (including related lodging and reasonable subsistence expenses) with the intent that the City official will be influenced thereby in the performance of any official act.

2. No person who is a restricted source shall offer or make, and no City official shall accept from a restricted source as to that official, any advance or reimbursement for travel expenses (including related lodging and reasonable subsistence expenses).

3. No lobbyist or lobbying firm shall act as an agent or intermediary in the making of, or arrange for the making of, any advance or reimbursement for travel expenses (including related lodging and reasonable subsistence expenses) by another person, to any City official.

4. The payment for travel expenses of a City official traveling on government business shall not be prohibited by this section in any case where the payment is a gift or other payment to the City of Los Angeles or to any government agency for which the City Council is the code reviewing body with respect to that agency's conflict of interest code, rather than a gift or income to the official, within the meaning or the Political Reform Act of 1974, as amended, and the regulations of the Fair Political Practices Commission.

5. Travel expenses subject to the prohibitions of this subsection include expenses for intrastate travel and lodging related to a City official's speaking at an event, participating in a seminar or providing similar services, notwithstanding the provisions of Title 2, California Code of Regulations, Section 18728, or any successor section.

6. Travel expenses subject to the prohibitions of this subsection do not include any payment for travel expenses from a campaign committee; a nonprofit organization of which the City official is a member; or an organization of which the City, an agency, or the official is a member acting in an official City capacity.

7. This subsection does not limit travel expenses and meals paid for by a local, state, federal or foreign government agency.

SEC. 49.5.11. Lobbying Activities of Former Officials.

A. No former officer or employee of any agency, after his or her government service has ceased, shall act, for compensation, as an agent for or otherwise represent any person other than an agency in any formal or informal appearance before, or, with the intent to influence a decision, make any written or oral communication on behalf of any person other than an agency to any court or any agency officer, employee, member, board or commission in connection with any proceeding, application, request for ruling or other determination, contract, claim, controversy, legislation, or other particular matter pending before such court or before such officer, member, employee, board or commission, if (1) the City of Los Angeles or other agency is a party or has a direct or substantial interest in the matter and (2) in connection with which such person participated personally and substantially as an officer or employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation or otherwise as an officer or employee of an agency.

B. No such person shall, for compensation, after his or her agency service has ceased, knowingly aid, counsel, advise, consult or assist any other person (other than an agency) in connection with an appearance or communication which such former official is prohibited from engaging in pursuant to Subsection A.

C. The prohibitions contained in Subsection A and B shall not apply:

1. To prevent a former agency officer or employee from making or providing a statement, based on the former officer's or employee's own special knowledge in the particular area that is the subject of the statement, provided that no compensation is thereby received other than that regularly provided for by law or regulation for witnesses.

2. To communications made solely for the purpose of furnishing information by a former agency officer or employee if the court or agency to which the communication is directed makes written findings that:

(a) The former officer or employee has outstanding and otherwise unavailable qualifications;

(b) The former officer or employee is acting with respect to a particular matter which requires such qualifications; and

(c) The public interest would be served by the participation of the former officer or employee.

3. With respect to appearances or communications in a proceeding in which a court or agency has issued a final order, decree, decision or judgment but has retained jurisdiction, if the agency of former employment gives its consent by determining that:

(a) At least five years has elapsed since the termination of the former officer's or employee's employment or term of office; and

(b) the public interest would not be harmed.

D. No former elected City officer, member of the City Ethics Commission or other former high level official shall, for any compensation, represent any person other than the City in connection with any matter pending before any City agency for one year after leaving City service.

E. No former City official, other than a former City official referred to in Subsection D, shall for any compensation represent any person other than an agency in connection with any matter pending before his or her former agency for one year after leaving agency service. With respect to a former employee of a City Council office (other than a former employee who was a high level official), "former agency" means his or her former Council office and the Councilmember of that district.

F. For two years after leaving agency service, any officer or employee who, for compensation, appears before or communicates with any agency for which he or she previously worked shall disclose in writing to the agency that he or she was a former officer or employee of the agency, state his or her former position with the agency, describe the matter on which he or she is appearing or communicating and state that he or she had no substantial involvement in the particular matter while an official with the agency.

G. Upon the petition of any interested person or party, a court or the presiding or other officer, including but not limited to any hearing officer, in any judicial, quasi-judicial or other proceeding, may, after notice and an opportunity for a hearing, exclude any person found to be in violation of this section from further participation, or from assisting or counseling any other participant, in the proceeding then pending before such court or presiding or other officer.

H. No provision contained in Subsections D or E of this section shall prevent any former City official from representing himself or herself, or any member of his or her immediate family, in their individual capacities, in connection with any matter pending before an agency.

SEC. 49.5.12. Future Employment of City Officials.

A. No member of the City Council or member of any board, commission, committee or other such voting body of any agency who is required to file statements of economic interest pursuant to the California Political Reform Act, shall directly or indirectly, knowingly or willfully negotiate the possibility of future employment with any person (other than a government agency) who has a matter within the regulatory, proprietary, or contractual jurisdiction of his or her agency currently pending before that officer or employee or before any body of which he or she is a voting member.

B. No other City official shall, directly or indirectly, knowingly or willfully negotiate the possibility of future employment with any person (other than a government agency) who has a matter within the regulatory, proprietary, or contractual jurisdiction of his or her agency currently pending before that officer or employee.

C. No person who has a matter pending before a City official, or before any body of which the official is a voting member shall, directly or indirectly, knowingly or willfully negotiate the possibility of future employment of that City official.

D. No City official shall make, participate in making or use his or her official position to influence a decision involving the interests of a person with whom he or she has an agreement concerning future employment.

SEC. 49.5.13. Participation of City Officers in Decisions Relating to Contracts.

In addition to the provisions of Government Code Sections 87100, et seq., as amended, no officer or employee of the City shall knowingly make, participate in making, or attempt to use his or her official position to influence any governmental decision directly relating to any contract where the City official knows or has reason to know that any party to the contract is a person by whom

the City official was employed immediately prior to entering government service within 12 months prior to the time the official acts on the matter.

SEC. 49.5.14. Application of Requirements.

The requirements imposed by this Article on officers and employees shall not apply to any officer or employee who terminated his or her City service prior to the effective date of this Article; provided, however, that a person who returns to City service on or after the effective date of this Article shall be subject to the requirements of this Article.

SEC. 49.5.15. Additional Pre-Election Campaign Statement.

In addition to the campaign statements required to be filed pursuant to the Political Reform Act, commencing with Government Code Section 81000, as amended, candidates for Mayor, Controller, City Attorney and City Council, their controlled committees and committees primarily formed to support or oppose such candidates shall file a pre-election statement on the Friday before the election. This statement shall have a closing date of the Wednesday before the election.

SEC. 49.5.16. Disclosure of Occupation and Employer.

No contribution shall be deposited into a campaign checking account of a candidate for Mayor, Controller, City Attorney or City Council unless the name, address, occupation and employer of the contributor is on file in the records of the recipient of the contribution.

SEC. 49.5.17. Mass Mailings Sent to City Ethics Commission.

Each candidate, and each committee making independent expenditures, who sends a mailing or distributes more than 200 substantially similar pieces of campaign literature shall send a copy of the mailing or other literature to the City Ethics Commission at the same time the mailing or other literature is given to the post office or otherwise distributed. During the election campaign, the Commission shall merely serve as a repository for such literature and shall not judge or comment on the contents of such literature.

SEC. 49.5.18. Training for Candidates and Treasurers.

Every City candidate for Mayor, Controller, City Attorney and City Council, and every treasurer of such candidate's controlled committee shall take a training program conducted or sponsored by the City Ethics Commission.

SEC. 49.5.19. Enforcement.

The provisions of this section are applicable to the Mayor, the City Attorney, the Controller, the members of the City Council, the members of those agency boards and commissions whose members are required to file statements of economic interests pursuant to the California Political Reform Act of 1974, as amended, the general manager or other chief executive of each City department or office, the director of each bureau of the Department of Public Works, the Chief Executive Assistant to the Mayor, the Chief Administrative Assistant to the Mayor, the Director and Assistant Director of the City Economic Development Office, each Executive Assistant to the Mayor, each Principal Administrative Coordinator in the office of the Mayor, each special assistant to the Mayor, the News Secretary to the Mayor, the Executive Assistant City Attorney, the Administrative Coordinator to the Controller, those members of the staff of each elected City officer who have been designated as high level officials, each Assistant Chief Legislative Analyst, and each Assistant City Administrative Officer, and to other persons other than in any capacity as an officer or employee of the City.

A. Criminal Enforcement.

1. Any person who knowingly or willfully violates any provision of this Article is guilty of a misdemeanor. Any person who knowingly or willfully causes any other person to violate any provision of this Article, or who aids and abets any other person in the violation of any provision of this Article, shall be liable under the provisions of this section.

2. Prosecution of violation of any provision of the Article shall be commenced within four years after the date of the violation.

3. No person convicted of a misdemeanor under this Article shall act as a lobbyist or as a City contractor for a period

of four years following the date of the conviction unless the court at the time of sentencing specifically determines that this provision shall not be applicable.

4. For the purposes of this section, a plea of nolo contendere shall be deemed a conviction.

B. Civil Actions.

1. Any person who intentionally or negligently violates any provision of this Article shall be liable in a civil action brought by the City Attorney, the City Ethics Commission or by any person residing within the City for an amount not more than $5,000 per violation, or for more than three times the amount the person failed to report properly or unlawfully contributed, expended, gave or received, whichever is greater.

2. If two or more persons are responsible for any violation, they shall be jointly and severally liable.

3. Any person, other than the City Attorney, before filing a civil action pursuant to this subsection, shall first file with the City Ethics Commission a written request for the Commission to commence the action. The request shall contain a statement of the grounds for believing a cause of action exists. The Commission shall respond within 40 days after receipt of the request indicating whether it intends to file a civil action. If the Commission indicates in the affirmative and files an action within forty days thereafter, no other action may be brought unless the action brought by the Commission is dismissed without prejudice.

4. In determining the amount of liability, the court may take into account the seriousness of the violation and the degree of culpability of the defendant. If a judgment is entered against the defendant or defendants in an action, a private plaintiff shall receive fifty percent (50%) of the amount recovered. The remaining fifty percent shall be deposited into the City's General Fund. In an action brought by the City Attorney or the Commission, the entire amount shall be paid to the General Fund.

5. No action alleging a violation of this Article may be

filed more than four years after the date the violation occurred.

C. Injunctive Relief.

Any person residing within the City of Los Angeles including the City Attorney, may sue for injunctive relief to enjoin violations or to compel compliance with the provisions of this Article.

D. Costs of Litigation.

The court may award to a party, other than an agency, who prevails in any civil action authorized by this Article, his or her costs of litigation, including reasonable attorneys' fees. If the costs or fees are awarded against the City, the payment of such award shall be the responsibility of the City.

E. No civil action alleging a violation of this Article shall be filed more than four years after the date of the violation.

F. In addition to the investigations and enforcement proceedings authorized by City Charter Section 600 O 1, the City Ethics Commission shall conduct investigations and enforcement proceedings and shall have the authority to impose penalties and other sanctions in connection with violations of the City Charter and City ordinances relating to conflicts of interest and governmental ethics by the members of those agency boards and commissions whose members are required to file statements of economic interests pursuant to the California Political Reform Act of 1974, as amended, the general manager or other chief executive of each City department or office, the director of each bureau of the Department of Public Works, the Chief Executive Assistant to the Mayor, the Chief Administrative Assistant to the Mayor, the Director and Assistant Director of the City Economic Development Office, each Executive Assistant to the Mayor, each Principal Administrative Coordinator in the office of the Mayor, each special assistant to the Mayor, the News Secretary to the Mayor, the Executive Assistant City Attorney, the Administrative Coordinator to the Controller, those members of the staff of each elected City officer who have been designated as high level officials, each Assistant Chief Legislative Analyst, and each

Assistant City Administrative Officer.

SEC. 49.5.20. Late Filing Penalties.

A. If any person files an original statement or report after any deadline imposed by this Article, he or she shall, in addition to any other penalties or remedies established by the Article, be liable to the City in the amount of twenty five dollars ($25) per day after the deadline until the statement or report is filed. Liability need not be enforced by the City if the Commission on an impartial basis determines that the late filing was not willful and that enforcement of the liability will not further the purposes of the Article, except that no liability shall be waived if a statement or report is not filed within 30 days.

B. The provisions of this section are applicable to the Mayor, the City Attorney, the Controller, the members of the City Council, the members of those agency boards and commissions whose members are required to file statements of economic interests pursuant to the California Political Reform Act of 1974, as amended, the general manager or other chief executive of each City department or office, the director of each bureau of the Department of Public Works, the Chief Executive Assistant to the Mayor, the Chief Administrative Assistant to the Mayor, the Director and Assistant Director of the City Economic Development Department Office, each Executive Assistant to the Mayor, each Principal Administrative Coordinator in the Office of the Mayor, each Special Assistant to the Mayor, the News Secretary to the Mayor, the Executive Assistant City Attorney, the Administrative Coordinator to the Controller, those members of the staff of each elected City officer who have been designated as high level officials, each Assistant Chief Legislative Analyst, and each Assistant City Administrative Officer.

SEC. 49.5.21. Authority of Enact.

This Article is enacted pursuant to and under the authority of the Charter of this City, California Government Code Sections 1125, et seq., California Government Code Section 81013 and California Constitution, Article XI, Section 5.

SUMMARY OF THE GOVERNMENTAL ETHICS ORDINANCE

Financial Disclosure Requirements

All elected officials, and those appointed officials and City employees who are required to file Statements of Economic Interests pursuant to their agencies' conflict of interest codes are also required to file financial disclosure statements pursuant to the City Ethics Ordinance. The newly revised disclosure rules for filings pursuant to the Ordinance are outlined below.

What financial disclosure forms must City officers and employees file?

Officers and employees must file Statements of Economic Interests pursuant to the Political Reform Act of 1974 (PRA) and their agencies' conflict of interest codes. They must also file an additional form for financial disclosure pursuant to the City Ethics Ordinance.

Do all City employees, including elected officials, provide the same information on their financial disclosure statements?

No. There are two categories of filers (1) high level filers, who file very comprehensive statements and (2) other filers, who file a statement closely tied to their jobs.

Who is in the "high level filer" category?

The Mayor, City Attorney, Controller, members of the City Council, members of the City Ethics Commission and the Executive Officer of the City Ethics Commission are all "high level filers".

Who is in the "other filer" category?

Every other City official and employee who must file a financial disclosure statement is in this category. These persons hold positions designated in their agencies' conflict of interest codes.

How often are the statements filed?

On or before April 1 of each calendar year, all filers are required to file a Statement of Economic Interests pursuant to state law and at the same time another financial disclosure

statement pursuant to City law. These statements cover the period of January 1 through December 1 of the previous calendar year.

In addition, on or before October 1 of each calendar year, all filers are required by City law to either (1) certify that there have been no changes in their reportable financial interests during the period of January 1 through June 30 or (2) file a semi-annual statement disclosing any changes in their reportable financial interests which occurred during that six month period.

What are the filing requirements for high level filers?

See Addendum 1 attached to this summary for the requirements.

What are the filing requirements for other filers?

See Addendum 2 attached to this summary for the requirements.

Gifts, Honoraria, Travel Expenses and Outside Income

The state Political Reform Act (PRA) establishes certain rules related to elected public officials and employees receiving gifts, honoraria, travel expenses and outside income. Unlike, financial disclosure requirements, however, the state has left most of the regulation in this area to local governments.

State law, however, prohibits all elected officials from receiving gifts from anyone of over $1,000 (Government Code Section 89501).

The Los Angeles City Ethics Ordinance restricts in a number of ways gifts, honoraria, travel expenses and outside income from restricted sources to elected City officials, members of boards and commissions who file financial disclosure statements, and other City employees who file financial disclosure statements. The definition of "restricted source" is different for high level officials than for other officials. Please see Addendum 3 for definition of "restricted source" and Addendum 4 for the list of high level officials.

Gift Restrictions

1. Gifts made with the intent to influence a City official in the performance of any official act are prohibited.

2. City officials are prohibited from soliciting gifts from a "restricted source".

3. All gifts from a restricted source who is a lobbyist or lobbying firm are prohibited, with the exception of nominal gifts or office hospitality up to a total of $25 per calendar year.

4. Gifts received from any other restricted source are limited to no more than $100 in total during any calendar year.

5. Lobbyists and lobbying firms are prohibited from acting as agents or intermediaries in the making of gifts from any other persons.

Travel Restrictions

1. Travel expenses paid by anyone with the intent to influence a City official in the performance of any official act are prohibited.

2. Travel expenses paid for by a "restricted source" are prohibited.

3. Lobbyist and lobbying firms are prohibited from acting as agents or intermediaries in arranging for the payment of travel expenses by any other persons.

Honoraria and Outside Earned Income Restrictions

1. Elected officials are prohibited from accepting any honoraria or outside earned income.

2. Any other full-time City official who files financial disclosure statements is prohibited from accepting honoraria or other outside earned income without the prior approval of the general manager of the official's agency (and in the case of payments from a "restricted source" without approval by the City Ethics Commission). Approval shall be based on factors relating to whether receipt of the income or performance of the service conflicts with the official's duties, functions or responsibilities. In making such determinations, the general manager and City Ethics Commission are required to consider five factors. These factors are:

   a. Whether the outside employment creates the appearance of or involves the actual use of public office or employment, or, the time, facilities, equipment or supplies of the official's agency, for private gain;

   b. Whether the City employee is being paid for services which he/she would be required or expected to render in the regular course or hours of his or her duties as a City official;

c. Whether the City official is in a position to make or influence a governmental decision which would have a material financial effect on the source of the outside income;

d. Whether the City official would be providing services to the outside employer which would later be subject to regulation or review by his/her agency.

e. Whether the outside employment involves such time demands that the City employee would perform his/her City job less efficiently.

Who are restricted sources for purposes of the gift restrictions?

The definition of restricted source is different for "high level officials" and "other officials." In brief, a restricted source for high level officials is anyone who is doing business with or has a matter pending before the City of Los Angeles. For "other officials," a restricted source is limited to anyone who is doing business with or has a matter pending before the official's agency or has tried to influence the official. (For a complete definition of restricted source please see Addendum 3. For a definition of "doing business with the City", please see Addendum 5.)

Example: An employee of the Department of Animal Regulation may not receive gifts totaling more than $100 in any calendar year from someone who does business with that agency. On the other hand, that same employee may receive a gift in any amount from a friend who does business with the Planning Department. The gift would not be prohibited because it is not from someone that is attempting to influence or do business with the Animal Regulation Department.

Are there any restrictions on what kinds of gifts can be accepted up to $100?

No, it can be food, parking, flowers, entertainment, tickets, etc. as long as it is not given with the intent that the City official will be influenced in the performance of any official act.

Are there any items which can be received from a restricted source which are not considered gifts?

There are a number of items which an elected official or other city employee can receive from a restricted source which are not considered gifts. These items include informational material such as books, reports, and pamphlets (see pages 5 and 23 of the Ethics Ordinance for complete list) exclusively for office use which are valued at less than $250, and personalized plaques valued at less than $250.

Post-Employment Lobbying

The Ethics Ordinance prohibits former elected City officials and other former "high level City officials" from representing any person in connection with any matter pending before any City agency for one year after leaving city service. Other City employees are prohibited from representing any person in connection with any matter before his or her former agency for one year after leaving the agency.

If a City officer or employee participated personally and substantially in any particular decision, approval, disapproval, recommendation, rendering of advice, or investigation, the employee is prohibited from ever lobbying, for compensation, on that same particular matter.

In addition, for two years after leaving City employment, prior to appearing before or communicating with an agency for which the employee worked, the former employee must notify his former agency, in writing, of the following:

1. His or her former position;
2. The matter in which he or she is appearing or communicating on; and
3. State that he or she had no personal or substantial involvement in the particular matter he or she is now appearing on.

Negotiation of Future Employment

The ordinance restricts negotiating future employment with any person or busienss who has a matter currently pending before the official or employee. There are slightly different requirements for members of the City Council and members of boards and commissions than there are for other City employees.

Any member of the City Council or a member of any board, commission, committee or other such voting body of any agency, who is required to file a statement of economic interests pursuant to the PRA, is prohibited from negotiating the possibility of future employment with any person (other than a government agency) who has a matter within the regulatory, proprietary, or contractual jurisdiction of his or her agency currently pending before that officer or employee or before any body of which he or she is a voting member.)

Other City employees are restricted from negotiating future employment with a person (other than a government agency) that has a matter currently pending before that employee personally.

Enforcement Provisions

The enforcement provisions of the Governmental Ethics Ordinance are applicable to:

- The Mayor
- The City Attorney
- The Controller
- Members of the City Council
- Members of boards or commissions who are required to file statements of economic interests pursuant to the state Political Reform Act of 1974
- The general manager or other chief executive of each City department or office
- The director of each bureau of the Department of Public Works
- The Chief Executive Assistant to the Mayor
- The Chief Administrative Assistant to the Mayor
- The Director of the City Economic Development Office
- The Assistant Director of the City Economic Development Office
- Each Executive Assistant to the Mayor
- Each Principal Administrative Coordinator in the office of the Mayor
- Each special assistant to the Mayor
- The News Secretary to the Mayor
- The Executive Assistant City Attorney
- The Administrative Coordinator to the Controller
- Those members of the staff of each elected City officer who have been designated as high level officials
- Each Assistant Chief Legislative Analyst
- Each Assistant City Administrative Officer
- Any other persons other than in any capacity as an officer or employee of the City.

The City Ethics Commission is authorized to conduct investigations, hold enforcement proceedings, and impose penalties and other sanctions in connection with violations of the City Charter and City ordinances relating to conflicts of interest and governmental ethics, including the Governmental Ethics Ordinance, by any of the persons listed above.

Late filing penalties in connection with the untimely filing of documents required to be filed by the Governmental Ethics Ordinance are applicable to each of the persons listed above.

ADDENDUM 1

Disclosure Requirements for **High-Level Filers**:

1. In addition to statements of economic interests filed pursuant to the Political Reform Act of 1974, as amended, high-level filers shall file financial disclosure statements disclosing the following financial interests:

(a) Any investment, regardless of whether the business entity is located in; owns an interest in real property within; or does, within the prior two years did, or plans to do business in the City of Los Angeles, and the name and address of any co-owner of the business entity.

(b) Any interest in real property (other than a personal residence), regardless of whether the real property is located within the jurisdiction, and the name and address of any co-owner of such real property.

(c) Any income (including loans, honoraria, travel expenses, gifts, and the filer's community property interest in income of a spouse) regardless of whether the source of income resides in; owns an interest in real property located within; or does, within the prior two years did, or plans to do business in the City of Los Angeles.

(d) Separate property income (including loans, honoraria, travel expenses and gifts) of a filer's spouse from a restricted source and income of a dependent child from a restricted source.

(e) Income required to be disclosed by this subsection includes income from a governmental agency other than the City of Los Angeles. Income required to be disclosed by this subsection does not include travel or reasonable subsistence expenses paid by a spouse's or dependent child's employer for employment-related travel.

(f) The name and address of each general partner of a partnership in which the filer has an investment valued at $1,000 or more, together with the name of the partnership.

(g) For any investment required to be disclosed by this subsection or any interest in real property (including both an interest required to be disclosed by this subsection and the filer's personal residence) that was purchased during the reporting period:

(i) the name of the business entity, or the location of the real property by street address, city and state, provided, however, that the address of the filer's personal residence need not be disclosed;

(ii) the purchase price of the investment or interest in real property (rounded to the nearest $1,000);

(iii) the name and address of the seller.

The filer's initial financial disclosure statement shall disclose any such transaction which occurred within one year prior to the filing of such statement.

This paragraph (g) shall not require any disclosure relating to a transaction which occurred on a regulated trading market or stock exchange in connection with which the identities of the purchaser and seller are unknown to one another.

(h) For any investment required to be disclosed by this section or any interest in real property (including both an interest required to be disclosed by this subsection and the filer's personal residence) that was sold during the reporting period:

(i) the name and address of the business entity, or the location the real property by street address, city and state, provided, however, that the address of the filer's personal residence need not be disclosed;

(ii) the selling price of the investment or interest in real property (rounded to the nearest $1,000);

(iii) the name and address of the purchaser.

This paragraph (h) shall not require any disclosure relating to a transaction which occurred on a regulation trading market or stock exchange in connection with which the identities of the purchaser and seller are unknown to one another.

2. Except as otherwise provided in this subsection, the information required to be disclosed with respect to each financial interest, and the manner of disclosing that information, shall be the same as required by Article 2 of Chapter 7 of the Political Reform Act of 1974, as amended, or by the conflict of interest code of the filer's agency.

3. The value of investments, interests in real property and income (including loans, honoraria, travel expenses, spousal income and income of a dependent child) shall be disclosed in the following amounts:

(a) Investment and interests in real property:
(i) Between $1,000 and $9,999, the value rounded to the nearest thousand;
(ii) Between $10,000 and $99,999, the value rounded to the nearest $10,000;
(iii) Between $100,000 and $250,000, the value rounded to the nearest $25,000, and
(iv) Over $250,000, the value rounded to the nearest $50,000.

(b) Income (including loans, honoraria, travel expenses, spousal income and income of a dependent child):
(i) Between $250 and $1,000;
(ii) Between $1,001 and $99,999, the value rounded to the nearest $1,000.
(iii) At and above $100,000, the value rounded to the nearest $10,000.

4. The value of real property shall be disclosed pursuant to Subdivision 3 based on the County Assessor's assessed valuation of the property.

5. If an investment is listed on a securities exchange within the United States, the filer may, instead of disclosing the dollar value, disclose the largest number of shares of stock owned, or the highest par value of bonds or debentures owned, during the reporting period.

6. If the actual value of an asset is not known by the filer, a good faith estimate based on a reasonable inquiry shall satisfy the requirement of this subsection. In no event shall a filer be required to retain the services of an appraiser in order to comply with this subsection.

ADDENDUM 2

Disclosure Requirements For Other Filers:

1. In addition to statements of economic interests filed pursuant to the Political Reform Act of 1974, as amended, other filers shall file financial disclosure statements disclosing the following financial interests:

(a) Any disclosable investment.

(b) Any other investment, whether or not located within or doing business in the City of Los Angeles, and whether or not owning an interest in real property located within the jurisdiction, if any co-owner of the business entity engages in any activity within the City of Los Angeles described in or covered by the filer's disclosure category of his or her agency's conflict of interest code. The name and address of any disclosable co-owner of any such business entity shall also be disclosed.

(c) Any disclosable interest in real property.

(d) Any other interest in real property, not located within the jurisdiction, if any co-owner of the real property engages in any activity within the City of Los Angeles described in or covered by the filer's disclosure category of his or her agency's conflict of interest code. The name and address of any disclosable co-owner of any such real property shall also be disclosed.

(e) Any disclosable income (including loans, honoraria, travel expenses, gifts and the filer's community property interest in income to a spouse).

(f) Income received from a government agency other than the City of Los Angeles and other than a government agency for which the City Council is the code reviewing body for its conflict of interest code, if the agency would be a disclosable source of income were it a business entity rather than a government agency.

(g) Separate property income (including loans, honoraria, travel expenses, and gifts) of the filer's spouse from a restricted source and income of a dependent child from a

restricted source, if the source of income would be a disclosable source if received directly by the filer.

Income to a spouse or dependent child does not include travel or reasonable subsistence expenses, paid by a spouse's or dependent child's employer for employment-related travel.

(h) The name and address of each general partner of a partnership in which the filer has an investment (required to be disclosed by this subsection) valued at $1,000 or more, together with the name of the partnership. The identity of a partner is required to be disclosed by this subsection only if the partner engages in any activity within the City of Los Angeles described in or covered by the filer's disclosure category of his or her agency's conflict of interest code.

(i) For any investment required to be disclosed by this subsection or any interest in real property (including both an interest required to be disclosed by this subsection and the filer's personal residence) that was purchased during the reporting period from a person engaged in the City of Los Angeles in an activity described in or covered by the disclosure category of the filer's conflict of interest code:

(i) the name of the business entity, or the location of the real property by street address, city and state, provided, however, that the address of the filer's personal residence need not be disclosed;

(ii) the purchase price of the investment or interest in real property (rounded to the nearest $1,000);

(iii) the name and address of the seller.

The filer's initial financial disclosure statement shall disclose any such transaction which occurred within one year prior to the filing of such statement.

This paragraph (i) shall not require any disclosure relating to a transaction which occurred on a regulated trading market or stock exchange in connection with which the identities of the purchaser and seller are unknown to one another.

(j) For any investment required to be disclosed by this subsection or any interest in real property (including both an interest required to be disclosed by this subsection and the filer's personal residence) that was sold during the reporting period to a person engaged in the City of Los Angeles in an activity described in or covered by the disclosure category or the filer's conflict of interest code:

(i) the name of the business entity, or the location of the real property by street address, city and state, provided, however, that the address of the filer's personal residence need not be disclosed;

(ii) the selling price of the investment or interest in real property (rounded to the nearest $1,000);

(iii) the name and address of the purchaser.

This paragraph (j) shall not require any disclosure relating to a transaction which occurred on a regulated trading market or stock exchange in connection with which the identities of the purchaser and seller are unknown to one another.

2. Except as otherwise provided in this subsection, the information and amounts required to be disclosed with respect to each financial interest, and the manner of disclosing that information, shall be the same as required by Article 2 of Chapter 7 of the Political Reform Act of 1974, as amended, or by the conflict of interest code of the filer's agency.

3. The value of real property shall be disclosed pursuant to Subdivision 3 based on the County Assessor's assessed valuation of the property.

4. If an investment is listed on a securities exchange within the United States, the filer may, instead of disclosing the value, disclose the largest number of shares of stock owned, or the highest par value of bonds or debentures owned, during the reporting period.

5. If the actual value of an asset is not known by the filer, a good faith estimate based on a reasonable inquiry, shall satisfy the requirement of this subsection. In no event shall a filer be required to retain the services of an appraiser in order to comply with this subsection.

ADDENDUM 3

"Restricted source" means the following with regard to each of the following classes of City officials:

1. With regard to "high level filers" and "high level officials," "restricted source" means:
   (a) a lobbyist, lobbying firm, or lobbyist employer;
   (b) a person doing or seeking to do business with the City;
   (c) a person who, during the reporting period, knowingly attempted to influence the official in any legislative or administrative action which would have a direct material financial effect on such person; or
   (d) a person who is a party to a proceeding involving a license, permit or other entitlement for use while a proceeding involving such matter is, or within the prior nine months was, pending before the official or before the City Council or a board, commission, committee, or other similar body of which the official is a voting member, and for nine months following the date a final decision is rendered in the proceeding.

2. With regard to filers other than "high level filers" and with regard to officials other than "high level officials," "restricted source" means:
   (a) a lobbyist, lobbying firm, or lobbyist employer, seeking to influence decisions of the filer's agency;
   (b) a person doing or seeking to do business with the filer's agency;
   (c) a person who, during the reporting period, knowingly attempted to influence the official in any legislative or administrative action which would have a direct material financial effect on such person;
   (d) or a person who is a party to a proceeding involving a license, permit or other entitlement for use while a proceeding involving such matter is, or within the prior nine months was, pending before the official or before a board, commission, committee or other similar body of which the official is a voting member, and for nine months following the date a final decision is rendered in the proceeding.

3. With regard to all filers and all City officials, a "restricted source" does not include an individual (other than a lobbyist) who is employed by a restricted source, provided that the gift or income is neither paid for by the employer nor provided at the direction of the employer.

ADDENDUM 4

"High Level Official" means the Mayor, the City Attorney, the Controller, the members of the City Council, the Chief Executive Assistant to the Mayor, the Chief Administrative Assistant to the Mayor, the Director and Assistant Director of the City Economic Development Office, each Executive Assistant to the Mayor, each Principal Administrative Coordinator in the Office of the Mayor, each Special Assistant to the Mayor, the Executive Assistant City Attorney, each Senior Counsel, the Chief Deputy Controller, the Administrative Coordinator to the Controller, two members of the staff of each City Council office possessing the most decision-making responsibilities relative to governmental policy as designated by each member of the Council, the members of the City Ethics Commission, the members of the City Planning Commission, the Director of Planning, the members of the Board of Public Works, the City Administrative Officer, each Assistant City Administrative Officer, the Chief Legislative Analyst, each Assistant Chief Legislative Analyst, the Treasurer, and the City Clerk. In addition, "high level official" means any other member of the staff of an elected City officer possessing the most significant decision-making responsibilities relative to governmental policy as may be designated in writing to the City Ethics Commission by the elected City officer.

ADDENDUM 5

"Doing Business with the City" means entering into or performing pursuant to a contract with the City of Los Angeles, an agency of the City or another local government agency required to adopt a conflict of interest code subject to City Council approval. Doing business with the City includes entering into or performing contracts for goods, equipment, services or financial assistance but does not include the receipt of or payment for services normally rendered by the City to residents and businesses, such as sewers, water and power, street maintenance and the like.

CITY OF LOS ANGELES

CAMPAIGN FINANCE ORDINANCE

(Los Angeles Municipal Code Section 49.7.1 et seq.)

Prepared by the City Ethics Commission

ORDINANCE 165.607

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ORDINANCE NO. 165,607

An ordinance providing detailed regulations concerning public financing of campaigns for elective City office, imposing limitations on campaign contributions and imposing limitations on expenditures by candidates accepting public funds.

THE PEOPLE OF THE CITY OF LOS ANGELES

DO ORDAIN AS FOLLOWS:

Section 1. Chapter 4 of the Los Angeles Municipal Code is hereby amended by adding a new Article 9.7 thereto to read:

ARTICLE 9.7 - Campaign Financing

SEC. 49.7.1. Relation of Regulations to Sections 312 and 313 of the City Charter.

The provisions of this Article relating to contribution limitations are in addition to and supplement the regulations contained in Section 312 of the City Charter. The provisions of this Article relating to public financing and expenditure limitations are adopted pursuant to the authorization contained in Section 313 of the City Charter, if adopted.

SEC. 49.7.2. Aggregation of Payments.

For the purposes of the contribution limitations contained in Section 312 of the City Charter and this Article, the

following shall apply:

A. All payments made by a person or organization whose contributions or expenditure activity is financed, maintained or controlled by any corporation, labor organization, association, political party or any other person or committee, including any parent, subsidiary, branch, division, department or local unit of the corporation, labor organization, association, political party or any other person, or by any group of such persons, shall be considered to be made by a single person or committee.

B. Two or more entities shall be treated as one person when any of the following circumstances apply:

(1) The entities share the majority of members of their boards of directors.

(2) The entities share two or more officers.

(3) The entities are owned or controlled by the same majority shareholder or shareholders.

(4) The entities are in a parent-subsidiary relationship.

C. An individual and any general or limited partnership in which the individual has a 33% or more share, or an individual and any corporation in which the individual owns a controlling interest, shall be treated as one person.

. . .

D. No committee which supports or opposes a candidate or candidates for elective City office shall have as a majority of its officers individuals who serve as the majority of officers on any other committee which supports or opposes the same candidate. No such committee shall act in concert with, or solicit or make contributions on behalf of, any other committee. This subsection shall not apply to treasurers of committees if these treasurers do not participate in or control in any way a decision on whether the candidate or candidates supported by the committee accept particular contributions.

SEC. 49.7.3. Family Contributions

A. Contributions by a husband and wife shall be treated as separate contributions.

B. Contributions by children under eighteen years of age shall be treated as contributions by their parents and attributed proportionately to each parent (one-half to each parent or the total amount to a single custodial parent).

SEC. 49.7.4. Return of Contributions.

A contribution shall not be considered to be received if it is not negotiated, deposited, or utilized, and is returned to the donor within 14 days of receipt.

SEC. 49.7.5. Money Received by Officials Treated as Contribution, Income or Gifts.

Any payments received by an elected City officer, a candidate for elective City office or any committee controlled by such officer or candidate shall be considered either a campaign contribution, income, or a gift. All campaign contributions received by such persons shall be subject to the provisions of Sections 312 and 313 of the City Charter and this Article unless such contributions are used exclusively for an election in some other jurisdiction. All income and gifts shall be subject to the relevant provisions of the City Charter, this Article, the Political Reform Act (Government Code Sections 87100, et. seq.), as amended, and other relevant statutes and ordinances.

SEC. 49.7.6. Loans.

A. A loan shall be considered a contribution from the maker and the guarantor of the loan and shall be subject to the contribution limitations of Charter Section 312 and this Article.

B. Every loan to a candidate or the candidate's controlled committee shall be by written agreement which shall be filed with the candidate's or committee's campaign statement on which the loan is first reported.

C. The proceeds of a loan made to a candidate by a commercial lending institution in the regular course of

business on the same terms available to members of the public and which is secured or guaranteed shall not be considered to be a contribution within the meaning of the contribution limitations of Charter Section 312 and this Article.

D. Extensions of credit (other than loans referred to in Subsection C) for a period of more than 30 days are subject to the contribution limitations of this Article.

SEC. 49.7.7. Restrictions on When Contributions May Be Received.

A. No candidate for City Council or the controlled committee of such candidate shall accept any contribution more than eighteen (18) months before the date of the election at which the candidate seeks office nor more than three (3) months after the date of the election. No candidate for Mayor, City Attorney or Controller or the controlled committee of such candidate shall accept any contribution more than twenty-four (24) months before the date of the election at which the candidate seeks office nor more than three (3) months after the date of the election.

B. Upon request, the City Ethics Commission may extend the period for receiving contributions beyond three months after the date of the election if for the purpose of retiring a debt incurred during the campaign.

SEC. 49.7.8. Solicitation of Contributions from Persons Who Have City Business Dealings.

No member of a board or commission or the City, member of the Board of Public Works, or general manager of any City department shall solicit, direct or receive any contribution from any person, or his or her agent, who has a proceeding involving any legislative or administrative action pending before the official or has had such a matter pending during the preceding 12 months.

SEC. 49.7.9. Transmittal of Campaign Contributions in City Hall, City Office Buildings, or City Offices.

A. No person shall receive or personally deliver or attempt to deliver a contribution in City Hall, or other City office building, or in any office for which the City pays the majority of the rent.

B. For purposes of this section:

1. "Personally deliver" means to deliver a contribution in person or to cause a contribution to be delivered in person by an agent or intermediary.

2. "Receive" includes the receipt of a campaign contribution delivered in person but does not include a campaign contribution received by mail if it is forwarded to the campaign treasurer of the candidate (or his or her controlled committee) within seven working days of its receipt.

SEC. 49.7.10. Committee or Individual Filing a Recall Petition or Initiative.

In the event a recall petition or are initiative petition relating to City law is filed, the committee or individual filing the petition shall be subject to the same campaign disclosure provisions as are applicable to candidates for elective City office.

SEC. 49.7.11. Legal Expense Funds.

A. In addition to contributions received in connection with an election to an elective City office, an elected City officer or a candidate for elective City office may receive contributions for a separate legal expense fund, for deposit into a separate account, to be used solely to defray attorney's fees and other legal costs incurred in the candidate's or officer's legal defense to any civil, criminal, or administrative action or actions arising directly out of the conduct of the campaign or election process, or the performance of the officer's governmental activities and duties.

B. Any elected City officer or candidate for elective City office wishing to establish a legal expense fund pursuant to this section shall a file a statement of organization for the legal expense fund pursuant to Government Code Section 84101, as amended, with the Secretary of State and a copy with the City Ethics

Commission. The legal expense fund shall be named: "The (name of candidate or officeholder) Legal Expense Fund." The statement of organization shall identify the specific civil, criminal or administrative proceeding or proceedings for which the legal expense fund is established and shall conform to the requirements of Government Code Sections 84102-84104, as amended.

C. The legal expense fund shall establish a single account at an office of a financial institution located in the City of Los Angeles, and all contributions to the officer or candidate for his or her legal expenses shall be deposited into that account.

D. Only contributions that are specifically designated by the donor as being made to the legal expense fund may be deposited into the legal expense fund account. All such contributions must be made payable to the legal expense fund, and no contribution that is not specifically made payable to the legal expense fund may be deposited into the legal expense fund account. However, non-monetary contributions may be received and used for purposes directly related to the legal expenses for which the fund is established if the donor specifically designates in writing that the contributions has been made for such purposes.

E. No person (other than the officer or candidate) shall make and no legal expense fund committee for an

elective City officer or candidate for elective City office shall solicit or accept contributions from any person to a legal defense fund totaling more than $1,000.

F. Expenditures from the legal expense fund account shall be made only for legal costs directly related to the civil, criminal, or administrative proceeding or proceedings for which the legal expense fund was established. In no event, however, shall any expenditures from the legal expense fund account be used to pay or reimburse any fines, penalties, judgments or settlements in connection with any criminal prosecution or any civil or administrative action in which the officer or candidate is found to have committed, or admits to, an intentional or negligent violation of the law.

G. No funds may be transferred from the legal expense fund to any other committee. Surplus funds remaining in the legal expense fund account after the proceeding or proceedings in connection with which the account was established have concluded, and after all debts are paid, may not be used for any other purpose. Such surplus funds shall be returned to donors on a pro rata basis or given to the City's General Fund within six months after final conclusion of the proceeding or proceedings and the payment of all debts incurred.

H. The legal expense fund shall file campaign disclosure statements containing the same information and

at the same times that the candidate or elective City officer files his or her statements in accordance with Government Code Sections 84100, et. seq., as amended.

I. A donation to a legal expense fund established pursuant to this section shall not be subject to contributions limitations contained in the City Charter or City ordinances, except as provided in this section.

J. This section shall constitute the sole authority for soliciting or accepting donations for legal costs for the defense of an action relating to the election process or an officer's conduct in office.

SEC. 49.7.12. Officeholder Fund.

A. Every elected City officer shall be permitted to establish one officeholder fund and account, subject only to the campaign contribution limitations specified in the Political Reform Act of 1974, as amended. Total contributions to an officeholder account shall not exceed $25,000 during any fiscal year.

B. Expenditures from an officeholder account may be made for any governmental, political, educational or other lawful purpose, but may not be used in connection with any future election for elective City office.

C. No funds may be transferred from the officeholder account of an elected City officer to any other committee.

D. If an elected City officer has more than one

committee which makes expenditures not related to an election at the time of the effective date of this section, the funds from all such committees shall be transferred into one officeholder account within 30 working days of the effective date of this section, to the extent otherwise allowed by law.

SEC. 49.7.13. Expenditure Ceilings.

A. No candidate for City Council who files a statement of acceptance of matching funds, nor any controlled committee of such candidate, shall make qualified campaign expenditures above the following amounts: $300,000 per primary election and $250,000 per general election.

B. No candidate for Controller who files a statement of acceptance of matching funds, nor any controlled committee of such candidate, shall make qualified campaign expenditures above the following amounts: $800,000 per primary election and $600,000 per general election.

C. No candidate for City Attorney who files a statement of acceptance of matching funds, nor any controlled committee of such candidate, shall make qualified campaign expenditures above the following amounts: $900,000 per primary election and $700,000 per general election.

D. No candidate for Mayor who files a statement of

acceptance of matching funds, nor any controlled committee of such candidate, shall make qualified campaign expenditures above the following amounts: $2,000,000 per primary election and $1,600,000 per general election.

E. For purposes of this section, primary election includes a special primary election and general election includes a special runoff election.

F. "Qualified campaign expenditure" means:

(1) Any expenditure made by a candidate for elective City office, or by a committee controlled by such a candidate, for the purpose of influencing or attempting to influence the actions of the voters for or against the election of any City candidate.

(2) A non-monetary contribution provided at the request of or with the approval of the candidate, officeholder or committee controlled by the candidate or officeholder.

(3) "Qualified campaign expenditure" does not include any payment if it is clear from the surrounding circumstances that it was not made in any part for political purposes.

SEC. 49.7. 14. Expenditure Ceilings Lifted.

If a candidate who declines to accept matching funds receives contributions or makes qualified campaign expenditures equal to 50% or more of the applicable expenditure ceiling, or

if an independent expenditure committee or committees in the aggregate spend more than $50,000 in the case of a City Council race, $100,000 in the case of an election for City Attorney or Controller, or $200,000 in the case of an election for Mayor, in support of or in opposition to any such candidate, the applicable expenditure ceiling shall no longer be binding on any candidate running for the same office.

SEC. 49.7.15. Notification by Candidate Who Exceeds Expenditure Ceilings.

A. A candidate who declines to receive matching funds and receives contributions which total at least 50% of the applicable expenditure ceiling or spends 50% of the applicable expenditure ceiling shall notify the City Ethics Commission by telephone and by confirming telegram the day the limitation is exceeded; and the Commission shall then so notify all other candidates for the same office.

B. A candidate who declines to receive matching funds and receives contributions which total 100% of the applicable expenditure ceiling or spends 100% of the applicable expenditure ceiling shall notify the City Ethics Commission by telephone and by confirming telegram the day the limitation to exceeded; and the Commission shall then so notify all other candidates for the same office.

SEC. 49.7.16. Time Periods for Expenditures.

For purposes of the expenditure ceilings, qualified campaign expenditures made at any time up to the date of a primary election shall be considered expenditures for that election, and qualified campaign expenditures made after the date of the primary election shall be considered expenditures for the general or runoff election. However, in the event that payments are made but the goods or services are not used during the period purchased, the payments shall be considered qualified campaign expenditures for the time period in which the goods or services are used. Payments for goods and services used during both periods shall be prorated.

SEC. 49.7.17. Compliance Costs.

In order to permit candidates to spend necessary funds in compliance with this Article, each candidate may spend up to an additional 20% of the expenditure ceilings set forth in Section 49.7.13 on expenses for bookkeeping, accounting, legal services, and similar expenses. These costs shall be separately identified on the candidate's campaign statements.

SEC. 49.7.18. Candidate Acceptance or Rejection of Matching Funds.

A. At the time of filing his or her declaration of intention pursuant to City Election Code Section 321, each

candidate shall file a statement of acceptance or rejection of matching funds. Within seven (7) days after the final filing date for such declarations, a candidate who had previously filed a statement of acceptance of matching funds may reject matching funds if another candidate for the same office has rejected matching funds, provided that the candidate returns to the City any matching funds payments received for that election. If a candidate agrees to accept matching funds, the candidate shall comply with the provisions of Section 49.7.13.

B. Each candidate shall notify the City Ethics Commission by telegram on the day such candidate raises, spends or has cash on hand of more than $50,000 in the case of a candidate for City Council, $100,000 in the case of a candidate for City Attorney or Controller and $200,000 in the case of a candidate for Mayor. The Commission shall then so notify all other candidates for the same office.

SEC. 49.7.19. Qualification Requirements.

A. In order to qualify to receive matching funds in a primary nominating or special primary election, a candidate shall meet all of the following requirements:

1. The candidate and his or her controlled committee must receive contributions (other than contributions from the candidate or his or her immediate family) of at least

$25,000 in the case of a candidate for City Council, $75,000 in the case of a candidate for City Attorney or Controller, and $150,000 in the case of candidate for Mayor. For purposes of this section, a candidate may receive a contribution up to the allowable contribution limits, but only the first $500 in the case of a candidate for City Attorney, Controller or Mayor, and the first $250 in the case of a candidate for City Council, shall count toward the qualification threshold. Only contributions received within the time period before the election as specified in Section 49.7.7, or, if a special election, after the declaration of intention to become a candidate is filed, may be counted for the above thresholds.

2. The candidate is opposed by a candidate running for the same office who has qualified for matching funds or who has raised, spent or has cash on hand of at least $50,000 in the case of a candidate for City Council, $100,000 in the case of a candidate for City Attorney or Controller and $200,000 in the case of a candidate for Mayor.

3. The candidate contributes no more than $25,000 per electicn in the case of a candidate for City Council and more than $100,000 per election in the case of any other candidate from his or her personal funds to the campaign.

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4. Campaign contributions received after an election shall be eligible for matching funds if the contributions were received during the three month period after the election for the purposes of retiring debt incurred during the election campaign.

B. If the City Council has caused certificates of nomination to be issued by the City Clerk to the two candidates receiving the highest number of votes for any given office at the primary nominating election, such candidates shall be eligible in a general election to (1) receive matching funds in the amount of one-sixth of the amount of funds specified in Section 49.7.22, not subject to the requirements of Section 49.7.20 (matching funds formula), and (2) receive total matching funds up to the amount specified in Section 49.7.22, subject to the requirements of Section 49.7.20 (matching funds formula).

C. In order to qualify for matching funds, a candidate in a primary election must agree in writing to participate in at least one debate with his or her opponents, and a candidate in a general election must agree in writing to participate in at least two debates with his or her opponents.

D. For the purposes of Subsections A and B, a loan, pledge or a non-monetary contribution shall not be considered a contribution.

SEC. 49.7.20. Matching Funds Formula.

A. A candidate who is eligible to receive matching funds shall receive payments on the basis of the following formula: For a contribution or contributions (other than a contribution from the candidate or his or her immediate family) totaling $500 or less in the case of a candidate for Mayor City Attorney or Controller, and totaling $250 or less in the case a candidate for City Council, including contributions received while the candidate is attempting to reach the threshold of Section 49.7.19, from an individual who contributed within twelve months before the date of the election, or, if a special election, after the candidate filed a declaration of intention to be a candidate, a matching ratio of one dollar in matching funds for each dollar in contributions received.

B. For purposes of this section, a loan, pledge, or non-monetary contribution shall not be considered a contribution.

C. For purposes of this section, a candidate may receive contributions up to the applicable contribution limit, but only the first $500 of each contribution in the case of a candidate for Mayor, City Attorney or Controller, and the first $250 in the case of a candidate for City Council, shall be matched.

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SEC. 49.7.21. Candidate Request for Payment.

A. The City Ethics Commission shall determine the information needed to be submitted to qualify for payment of matching funds. The Commission shall certify each request for payment of matching funds. A candidate may not request less than $10,000 in payments at any one time; provided, however, that in the 14 days preceding an election, a candidate may request $1,000 or more in such payments at any one time.

B. Any candidate who knowingly or willfully makes a request for any payment of matching funds that is false, or who misrepresents the contributions received by him or her or by his or her controlled committee, is guilty of a misdemeanor and, if such is deemed appropriate under the circumstances shall be removed from office. Any candidate who knowingly, willfully or negligently makes a request for any payment of matching funds that is false, or who knowingly, willfully or negligently misrepresents the contributions received by him or her or by his or her controlled committee, shall return all matching funds received as a result of such request.

SEC. 49.7.22. Maximum Funds Available to Candidate.

A. No candidate shall receive matching funds in excess of the following amounts for a primary election: $100,000 in the case of a candidate for City Council;

$267,000 in the case of a candidate for Controller; $300,000 in the case of a candidate for City Attorney; and $667,000 in the case of a candidate for Mayor.

B. No candidate shall receive matching funds in excess of the following amounts for a general election: $125,000 in the case of a candidate for City Council; $300,000 in the case of a candidate for Controller; $350,000 in the case of a candidate for City Attorney; and $800,000 in the case of a candidate for Mayor.

SEC. 49.7.23. Payments to Candidates. The Controller shall make matching funds payments in the amount certified by the City Ethics Commission. Payments shall be made no later than three working days after receipt by the Commission. If the Commission determines the money available for matching fund purposes is not, or may not be, sufficient to satisfy the full entitlement of the eligible candidates, the Commission shall notify the Controller to withhold sufficient amounts, as determined by the Commission, as may be necessary to assure that each eligible candidate will receive a pro rata share of their entitlement. The amounts withheld shall be paid when the Commission determines that there is sufficient money to pay the amounts or portions of the amounts.

SEC. 49.7.24. Contribution Limitations to Independent Expenditure Committees. Any person or committee who makes

independent expenditures supporting or opposing a candidate shall not accept any contribution in excess of the amounts set forth in Charter Section 312 C 7.

SEC. 49.7.25. Reproduction of Materials. Any person who reproduces, broadcasts or distributes any material which is drafted, printed, prepared or previously broadcast by a candidate or a committee controlled by such a candidate shall report such an expenditure as a non-monetary contribution to such candidate or committee.

SEC. 49.7.26. Notice of Independent Expenditures. Any person who makes independent expenditures of more than one thousand dollars ($1,000) in support of or in opposition to any candidate shall notify the City Ethics Commission within 24 hours by telegram each time one or more expenditures are made which meet this threshold is met.

SEC. 49.7.27. Certain Provisions of Charter Section 312 Maintained. The provisions of Charter Section 312 (Limitations on Campaign Contributions in City Elections) are not superseded by this Article.

SEC. 49.7.28. Enforcement.

A. Criminal Enforcement.

1. Any person who knowingly or willfully violates

any provision of this Article is guilty of a misdemeanor. Any person who knowingly or willfully causes any other person to violate any provision of this Article, or who aids and abets any other person in the violation of any provision of this Article, shall be liable under the provisions of this section.

2. Prosecution of violation of any provision of the Article shall be commenced within four years after the date of the violation.

3. No person convicted of a misdemeanor under this Article shall act as a lobbyist or as a City contractor for a period of four years following the date of the conviction unless the court at the time of sentencing specifically determines that this provision shall not be applicable.

4. For the purposes of this section, a plea of nolo contendere shall be deemed a conviction.

B. Civil Actions.

1. Any person who intentionally or negligently violates any provision of this Article shall be liable in a civil action brought by the City Attorney, the City Ethics Commission or by any person residing within the City for an amount not more $5,000 per violation, or for more than three times the amount the person failed to report properly or unlawfully contributed, expended, gave or received.

2. If two or more persons are responsible for any violation, they shall be jointly and severally liable.

3. Any person, other than the City Attorney, before filing a civil action pursuant to this subsection, shall first file with the City Ethics Commission a written request for the Commission to commence the action. The request shall contain a statement of the grounds for believing a cause of action exists. The Commission shall respond within 40 days after receipt of the request indicating whether it intends to file a civil action. If the Commission indicates in the affirmative and files an action within forty days thereafter, no other action may be brought unless the action brought by the Commission is dismissed without prejudice.

4. In determining the amount of liability, the court may take into account the seriousness of the violation and the degree of culpability of the defendant. If a judgment is entered against the defendant or defendants in an action, a private plaintiff shall receive fifty percent (50%) of the amount recovered. The remaining fifty percent shall be deposited into the City's General Fund. In an action brought by the City Attorney or the Commission, the entire amount shall be paid to the General Fund.

5. No action alleging a violation of this Article may be filed more than four years after the date the

violation occurred.

C. Injunctive Relief.

Any person residing within the City of Los Angeles including the City Attorney, may sue for injunctive relief to enjoin violations or to compel compliance with the provisions of this Article.

D. Costs of Litigation.

The court may award to a party, other than an agency, who prevails in any civil action authorized by this Article, his or her costs of litigation, including reasonable attorneys' fees. If the costs or fees are awarded against the City, the payment of such award shall be the responsibility of the City, subject to Council approval.

E. No civil action alleging a violation of this Article shall be filed more than four years after the date of the violation.

SEC. 49.7.29. Late Filing Penalties.

If any person files an original statement or report after any deadline imposed by this Article, he or she shall, in addition to any other penalties or remedies established by the Article, be liable to the City Ethics Commission in the amount of twenty five dollars ($25) per day after the deadline until the statement or report is filed. Liability need not be enforced by the Commission

filed. Liability need not be enforced by the Commission if on an impartial basis it determines that the late filing was not willful and that enforcement of the liability will not further the purposes of the Article, except that no liability shall be waived if a statement or report is not filed within 30 days.

SEC. 49.7.30. Severability.

If any provision of this Article, or its application to any person or circumstances, is held invalid by any court, the remainder of this Article or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby, to the extent such can be given effect, and to this extent the provisions of this Article are declared to be severable.

SEC. 49.7.31. Operative Date.

The provisions of this Article shall become operative on July 1, 1991, provided that the proposed Charter Amendment concerning a City Ethics Commission and related matters is adopted by the electorate on June 5, 1990, and becomes effective.

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Sec. 2 The City Clerk shall certify to the passage of this ordinance and cause the same to be published in some daily newspaper printed and published in the City of Los Angeles.

I hereby certify that the foregoing ordinance was introduced at the meeting of the Council of the City of Los Angeles FEB 28 1990 and was passed at its meeting of MAR 07 1990

LAJ ~~400523 2/20~~

Approved MAR 14 1990

ELIAS MARTINEZ, City Clerk

By Edward W Ashdown
Deputy

File No. 88-1021 S4
89-1670
89-2466

Tom Bradley
Mayor

LAJ 400523 2/21

By
ANTHONY SAUL ALPERIN, Assistant
City Attorney

File No.

City Clerk Form 23

Los Angeles City Ethics Commission

NOTICE
REGARDING LIFTING OF EXPENDITURE LIMITS

LOS ANGELES MUNICIPAL CODE SECTION 49.7.14 AMENDED

Effective immediately, expenditure ceilings will be lifted for candidates who have elected to participate in the matching funds program *when an opponent who has declined matching funds actually exceeds the spending limit for that race.*

NEW PROVISION TAKES EFFECT

As approved by the Council on January 27, 1993 and signed by the Mayor on January 28, section 49.7.14, *as amended,* provides the following (changes appear underlined):

> If a candidate who declines to accept matching funds makes qualified campaign expenditures in excess of the expenditure ceiling, or if an independent expenditure committee or committees in the aggregate spend more than $50,000 in the case of a City Council race, $100,000 in the case of an election for City Attorney or Controller, or $200,000 in the case of an election for Mayor, in support of or in opposition to any such candidate, the applicable expenditure ceiling shall no longer be binding on any candidate running for the same office.

In addition, L.A.M.C. section 49.7.15 B was amended to state the following:

> A candidate who declines to receive matching funds and spends more than 100% of the applicable expenditure ceiling shall notify the City Ethics Commission by telephone and by confirming telegram or fax the day the limitation is exceeded; and the Commission shall then so notify all other candidates for the same office by telephone or by fax.

FOR FURTHER INFORMATION

For additional information, please contact the City Ethics Commission Policy and Operations Division at (213) 247-0310.

February 2, 1993

CITY OF LOS ANGELES

OPINIONS AND WRITTEN ADVICE

(Los Angeles Administrative Code Section 24.1.1)

Prepared by the City Ethics Commission
July 1991

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ORDINANCE NO. _____

An ordinance, approving a regulation of the City Ethics Commission, relating to opinions and written advice by the Commission.

THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:

Section 1. A new Section 24.1.1 is hereby added to Chapter 1 of Division 24 of the Los Angeles Administrative Code to read:

SEC. 24.1.1. Opinions and Written Advice.

(a) Requests for Opinions.

(1) Opinion requests may be submitted to the Commission by any person whose duties under the City Charter or any City ordinance relating to campaign finance, conflicts of interest or governmental ethics are in question or by that person's authorized representative. A City ordinance relating to governmental ethics includes, without limitation, the City of Los Angeles Governmental Ethics Ordinance (Los Angeles Municipal Code Section 49.5.1, et seq.), the regulations of the City Ethics Commission (Los Angeles Administrative Code Section 24.1., et seq. and Commission approved forms and manuals),

and the City's registration of lobbyists regulations (Los Angeles Municipal Code Section 48.01, et seq.).

(A) The identity of the person whose duties are in question shall be provided with the opinion request. If the opinion request is submitted by the representative of several persons similarly situated, the identity of at least one such person shall be provided with the opinion request.

(B) The immunity provided by City Charter Section 600 N shall extend only to the person or persons identified in the opinion request.

(2) Opinion requests shall present all material facts as concisely as possible and shall state the question or questions based on those facts.

(3) The Commission staff shall maintain a master file containing all opinion requests. This file shall be open to public inspection.

(4) The Executive Officer shall determine whether to grant or deny opinion requests.

(5) Within 14 days after the request is submitted, the person making the opinion request shall be notified in writing of the decision of the Executive Officer. If the opinion request is

denied, the notification shall state the reason for the denial and shall advise the person submitting the request of his right to appeal to the Commission pursuant to Subsection (b). Provided, however, if an opinion is requested pursuant to Los Angeles Municipal Code Section 49.5.10 B (acceptance of honoraria and outside earned income), either an opinion or written advice shall be rendered within 10 days after receipt of the request. With respect to an opinion or written advice requested pursuant to Los Angeles Municipal Code Section 49.5.10 B, reliance on such an opinion or written advice, or the failure of the Commission to provide such advice within 10 days of its receipt of the request, shall be a complete defense in any enforcement proceeding initiated by the Commission and evidence of good faith conduct in any other civil or criminal proceeding if the requestor requested the advice from the Commission in good fatih and disclosed truthfully the material facts and committed the acts complained of either in reliance on the advice or because of the failure of the Commission to provide the advice within 10 days of the request.

(6) Among the criteria upon which denial of an opinion request may be based are the following:

(A) The question raised is expressly covered by the Charter, an ordinance or Commission regulations.

(B) The question raises no substantial question of interpretation and, therefore, requires only a routine reply more appropriately made by staff.

(C) The person who made the request does not have sufficient interest (standing) in the question to justify an opinion being issued.

(D) The question is hypothetical. However, opinion requests may be granted if the hypothetical facts stated represent an intended course of conduct which is contingent on the Commission's opinion.

(E) The question is overbroad in that it asks for an interpretation of the law in general terms.

(F) The question does not present material facts or does not state a question based on the facts presented.

(G) The question is outside the scope of the Charter or of an ordinance relating to campaign finance, conflicts of interest or governmental ethics.

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(b) **Review of Requests Denied by the Executive Officer.**

Any member of the Commission or the requestor may request a review by the Commission of an opinion request denied by the Executive Officer. The request for review must be made within 10 working days after the denial. The Commission shall act on such request within 30 days following issuance of the denial. If a majority of the Commission approves the granting of an opinion request, the denial shall be rescinded, the person submitting the opinion request shall be notified in writing, and the opinion shall be issued as provided in this Section.

(c) **Procedures for Issuing Opinions.**

When the Executive Officer acting on behalf of the Commission, or the Commission, has agreed to issue an opinion, the following procedures shall apply:

(1) The Commission shall hold a hearing on the opinion.

(2) The Commission staff or the City Attorney shall prepare a draft opinion which discusses the issues and includes any staff recommendations. At least two weeks prior to the hearing on the opinion, the draft opinion shall be provided to the members of the Commission, the City Attorney, the person requesting the opinion, and other interested persons who have requested copies in writing, and shall be made available to the public.

(3) Any interested person may submit memoranda, briefs, arguments or other relevant material regarding the opinion no later than five days prior to the scheduled hearing on the opinion. An original and seven copies of briefs or arguments shall be submitted unless the person submitting the material declares he is financially unable to supply copies.

(4) The Commission shall adopt an opinion at a public meeting.

(5) Any interested person may present testimony or oral argument at the hearing. The time limit for such testimony, unless waived by the President, shall be five minutes for each person, totaling no more than 30 minutes in support of and 30 minutes in opposition to the draft opinion.

(6) The time limits in this Subsection may be waived or extended by the Commission.

(d) Opinions.

(1) Opinions adopted by the Commission shall be effective upon adoption and shall be published along with any dissenting or concurring opinions by Commissioners submitted within 30 days after the adoption.

(2) The time for the publication of an

opinion may be shortened or extended by the President of the Commission subject to appeal by any interested person to the Commission.

(e) Petition for Rehearing.

(1) Within 14 days after the adoption of a formal opinion by the Commission, the person who submitted the opinion request, a Commissioner or the Executive Officer may petition the Commission to grant a rehearing. The petition, if submitted by the person who submitted the opinion request, shall be in writing and shall set forth, with specificity, the reasons for the request.

(2) Whenever the Commission grants a petition for rehearing, the Commission shall suspend the opinion pending the rehearing.

(f) Formal Written Advice and Informal Assistance.

(1) The Commission will make every reasonable effort to provide formal written advice pursuant to City Charter Section 600 N 2 or informal assistance without unnecessary delay and in sufficient time to facilitate compliance with the Charter or City ordinance relating to campaign finance, conflicts of interest or governmental ethics. If a request for an opinion or written advice is made pursuant to Los Angeles Municipal Code Section 49.5.10 B, and an opinion is not rendered, written advice shall be rendered within 10 days after receipt of

the request.

(2) Formal Written Advice.

(A) Formal written advice may be requested in writing pursuant to City Charter Section 600 N 2 by any person whose duties under the Charter or any City ordinance relating to campaign finance, conflict of interest or governmental ethics are in question or by that person's authorized representative. A City ordinance relating to governmental ethics includes, without limitation, the City of Los Angeles Governmental Ethics Ordinance (Los Angeles Municipal Code Section 49.5.1, et seq.), the regulations of the City Ethics Commission (Los Angeles Administrative Code Section 24.1., et seq. and Commission approved forms and manuals), and the City's registration of lobbyists regulations (Los Angeles Municipal Code Section 48.01, et seq.).

(B) Requests for formal written advice will not be acted upon unless the following requirements are met:

(i) The name, title or position, mailing address and telephone number, of the person whose duties are in question are provided. In addition, if the

request is submitted by an authorized representative, it shall contain a specific statement that such authorization has been made.

(ii) All the facts material to the consideration of the question or questions presented have been provided in a clear and concise manner.

(C) The time period specified in Charter Section 600 N 2 or Los Angeles Municipal Code Section 49.5.10 B does not commence until the requirements of paragraph (B) have been satisfied.

(D) If a formal written advice request does not meet the requirements in paragraph (B), the requestor shall promptly be notified of that fact in writing and shall be provided with a copy of this regulation.

(E) When a request for formal written advice is received which complies with the requirements in paragraph (B), the request shall promptly be acknowledged in writing. The acknowledgement shall provide the requestor with the date on which the period specified in Charter Section 600 N 2 or Los Angeles Municipal Code Section 49.5.10 B expires. If the request is from an authorized

representative, a copy of the foregoing acknowledgement shall also be sent to the person on whose behalf the advice is being requested. If the request is received directly from an officer or employee of a City agency, a copy of the request and the acknowledgement may also be sent to the general manager or other executive officer of the agency if the request is related to the official duties of the agency. The acknowledgement shall provide the requestor the name and office telephone number of the staff person to whom the request was assigned and the date on which the time period specified in Charter Section 600 N 2 or Los Angeles Municipal Code Section 49.5.10 B will expire.

(F) The Executive Officer is hereby authorized to extend the period of time for response specified in Charter Section 600 N 2 for good cause. Good cause for extension of the period of time for response shall exist if the number or complexity of the questions posed reasonably prevents an answer within the 21 days specified by the Charter. The Executive Officer may extend the time for whatever period he believes is reasonable.

The requestor may appeal the Executive Officer's decision on extending time to the Commission, which shall decide the appeal at its next regular meeting which occurs at least three days after the receipt of the appeal. The Commission shall uphold the Executive Officer's decision, overturn the decision or extend the period for response to a different period than that extended by the Executive Officer, based on the above criteria.

(G) Formal written advice shall be drafted by the Executive Officer of the Commission (or by Commission staff), or, at the Executive Officer's request, by the City Attorney. Such advice shall be approved by the Executive Officer prior to release.

(H) Copies of the advice request and the formal written advice shall be public records. However, when the request relates to whether a person is required to disclose specific private economic interests, and the advice is that any such interest is not required to be disclosed, neither the request nor the advice shall be disclosed to members of the public, in order to protect the privacy interests of

the person making the request. Summaries of the advice provided may be published from time to time.

(I) The Commission may decline to provide formal written advice. If the Commission determines not to provide formal written advice for one or more of the following reasons, the requestor shall not be entitled to the immunity provided by Charter Section 600 N 2. The requestor shall be notified if the request for formal written advice is declined. Formal written advice may be declined in any of the following circumstances:

(i) The requestor is seeking advice relating to past conduct.

(ii) The requestor is seeking advice about another person's duties and has not been authorized to do so by that person.

(iii) It appears that the material facts provided in the request may be inaccurate, incomplete, or in dispute.

(iv) The request does not present a question under the Charter or related ordinances, or is purely hypothetical. However, requests for advice will be

granted if the hypothetical facts represent an intended course of conduct contingent upon such advice.

(v) The request presents issues requiring a policy interpretation best made through a Commission Opinion or by adoption of a regulation pursuant to Charter Section 600 L.

(vi) A response rendering formal written advice would be inappropriate or otherwise not in the public interest.

(J) A request for formal written advice may be treated as a request for an opinion, or as a request for informal assistance.

(K) Formal or informal written advice does not constitute an Opinion of the Commission nor a declaration of policy by the Commission. Formal written advice is the application of the law to a particular set of facts provided by the requestor. While this advice may provide guidance to others, the immunity provided by Charter Section 600 N 2 is limited to the requestor and to the specific facts contained in the formal written advice.

(3) Informal Assistance.

(A) Informal assistance may be requested

by any person whose duties under the Charter or a City ordinance relating to campaign finance, conflicts of interest or governmental ethics are in question or by that person's authorized representative. A City ordinance relating to governmental ethics includes, without limitation, the City of Los Angeles Governmental Ethics Ordinance (Los Angeles Municipal Code Section 49.5.1, et seq.), the regulations of the City Ethics Commission (Los Angeles Administrative Code Section 24.1., et seq. and Commission approved forms and manuals), and the City's registration of lobbyists regulations (Los Angeles Municipal Code Section 48.01, et seq.). Informal assistance may also be requested by any City agency whose members, officers or employees are subject to the provisions of such laws.

(B) Informal assistance may be requested or rendered orally or in writing.

(C) Informal assistance rendered pursuant to this regulation does not provide the requestor with the immunity set forth in Charter Section 600 N.

(D) The Executive Officer may decline to provide informal assistance or may limit such

assistance to the explanation, in general terms, of the requirements of the law in any of the following circumstances:

(i) Assistance or advice is being sought regarding past conduct, unless the advice or assistance sought is related to possible amendment of previous reports filed by the person requesting the advice.

(ii) The requestor is seeking advice anonymously.

(iii) Assistance or advice is being sought regarding the duties of another person and the requestor either does not appear to be authorized to make the request as the person's representative or does not provide the identity of the person on whose behalf the assistance is being sought.

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(v) The question presented is too complex or is otherwise inappropriate for resolution by informal assistance and should be resolved by formal written advice or an Opinion.

(vi) The facts presented are

insufficient or too vague to render specific informal assistance or do not appear to present a question under the Charter or City ordinance relating to campaign finance, conflicts of interest or governmental ethics.

(vii) Rendering informal assistance would be inappropriate or otherwise not in the public interest.

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CAMPAIGN FINANCE PROVISIONS

OF THE LOS ANGELES CITY CHARTER

(City Charter §§ 312 and 313
as amended December 13, 1990)

Prepared by the
Los Angeles City Ethics Commission

Sec. 312. Limitations on Campaign Contributions in City Elections

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Sec. 312. Limitations on Campaign Contributions in City Elections.

A. Purpose.

The purpose of this section is to encourage a broader participation in the political process by placing limits on the amount any person may contribute or otherwise cause to be available to candidates for election to the offices of Mayor, City Attorney, Controller and City Council of the City of Los Angeles and by regulating the disposition of unexpended contributions received by or on behalf of such candidates.

This section is intended to supplement the Political Reform Act of 1974. (Added, 1987.)

B. Definitions.

1. The definitions set forth in the Political Reform Act of 1974 as amended (Government Code Sections 82000 through 82055) shall govern the interpretation of this section, unless otherwise specified herein.

2. The term "**elective City office**", as used herein, shall mean the offices of Mayor, City Attorney, Controller and Member of the City Council.

3. The term "**election**" shall include a primary nominating election, a general municipal election, a special election and a recall election. (Added, 1990.)

C. Campaign Contribution Limitations.

1. No intended candidate for any elective City office, and no committee acting on behalf of such candidate, shall solicit or accept, or cause to be solicited or accepted, any contribution for use in any election for such office unless and until such candidate shall have filed a Declaration of Intent to Solicit and Receive Contributions in connection with candidacy for a specific elective City office. That declaration shall be filed with the City Ethics Commission on a form prescribed by the City Ethics Commission. Once the election takes place, the declaration is thereafter void. No person may file such declaration for more than one elective City office nor have more than one such declaration on file at the same time. A candidate may, however, file a form cancelling one declaration and may thereafter file a new declaration. (Amended, 1990.)

2. If a special election is held in the months of January, February, March, July, August or September, then each candidate for elective City office in the special election and each committee acting on behalf of that candidate shall file a post-election campaign statement with the City Ethics Commission not later than 65 days after the election. This filing requirement is in addition to, separate from, and does not supersede any filing requirement imposed by the Political Reform Act of 1974 as amended. (Amended, 1990.)

3. A candidate for City office concurrent with filing a Declaration of Intent to Solicit and Receive Contributions shall file with the City Ethics Commission on a form prescribed by the City Ethics Commission the names of any committees controlled by the candidate, the treasurers of those controlled committees, campaign officers and all agents with authority to receive contributions and make expenditures, and a statement of each person's responsibilities and duties. Such statement shall be signed by each of the persons named in the statement. A candidate shall amend this statement within ten business days of forming new controlled committees, or replacing or adding treasurers, campaign officers or agents. (Amended, 1990.)

4. The candidate and the treasurers of the candidate's controlled committees shall file with the City Ethics Commission on a form prescribed by the City Ethics Commission a statement under oath that the candidate and the treasurers have read and understood Section 312. This statement shall be filed concurrent with the filing of the Declaration of Intent to Solicit and Receive Contributions. (Amended, 1990.)

5. No person shall contribute a total of more than $500 to any candidate for City Council and to his or her controlled committee for a single election. A candidate for City Council and his or her controlled committee shall not accept any contribution or contributions totaling more than $500 from any person for a single election. Nothing in this section is intended to limit the amount a candidate may contribute to his or her campaign for City Council from his or her personal funds. (Amended, 1990.)

6. No person shall contribute a total of more than $1,000 to any candidate for Mayor, City Attorney or Controller and to his or her controlled committee for a single election. A candidate

for Mayor, City Attorney or Controller, and or his or her controlled committee, shall not accept any contributions or contributions totaling more than $1,000 from any person for a single election. Nothing in this section is intended to limit the amount a candidate can contribute to his or her candidacy for Mayor, City Attorney or Controller from his or her personal funds. (Amended, 1990.)

7. No person shall make to any committee (other than the candidate's controlled committee) which supports or opposes any candidate for Mayor, City Attorney, Controller or City Council, and no such committee shall accept from any such person, a contribution or contributions totaling more than $500 in any calendar year. (Amended, 1990.)

8. No person shall make a contribution in connection with a single election for an elective City office which would cause the aggregate amount of such contributions by that person to exceed a sum equal to $500 multiplied by the number of City Council offices appearing on the ballot at that election plus $1,000 multiplied by the number of city-wide offices appearing on the ballot at that election, but in no case less than $1,000, in connection with all candidates in that election seeking election to all elective City offices; provided, however, that a candidate shall not be limited by this Subdivision 8 in the amount he or she may contribute or expend in connection with his or her own campaign, subject to the provisions of Subdivision 12 of this Subsection C. (Amended, 1987.)

9. **Contributions From Persons Other than Individuals.**

(a) No candidate for City Council, together with the controlled committee of such candidate, shall accept more than a total of $150,000 in contributions from persons, other than individuals, in connection with any election.

(b) No candidate for City Attorney or Controller, together with the controlled committee of such candidate, shall accept more than a total of $400,000 in contributions from persons, other than individuals, in connection with any election.

(c) No candidate for Mayor, together with the controlled committee of such candidate, shall accept more than a total of $900,000 in contributions from persons, other than individuals, in connection with any election.

(d) If a candidate for elective City office declines matching funds and receives contributions or spends an amount exceeding the applicable expenditure ceilings, this subdivision shall not apply to any of the candidates for the same office. (Subdiv. 9, Amended, 1990.)

10. No person other than a candidate shall make, and no person or candidate shall solicit or accept any loan of more than $500 for use in connection with an election for City Council, or of more than $1,000 for use in connection with an election for Mayor, City Attorney or Controller. Further, no person other than a candidate shall make, and no person or candidate shall solicit or accept any loan for use in connection with an election for City office for a period of more than thirty (30) days. Loans to a candidate or to a candidate's controlled committees shall be counted against the contribution limitations applicable to the candidate. A candidate is not prohibited from obtaining a personal loan of any amount from a licensed financial lending institution in the regular course of business, unless the loan is made for political purposes. (Amended, 1987.)

11. Except as provided in Subsection K, any contributions solicited or accepted pursuant to this section shall be expended only in connection with the candidacy for the office specified in the candidate's Declaration of Intent to Solicit and Receive Contributions. Contributions solicited or accepted pursuant to this section for one individual shall not be expended for the candidacy of any other individual or in support of or in opposition to any City ballot measure. No candidate and no committee controlled by a candidate for elective City office or elected City officer shall use contributed funds to make any contribution to any other candidate running for office or to any committee supporting or opposing a candidate for office. Provided, however, a candidate shall not be prohibited from making a contribution from his or her own personal funds to his or her own candidacy, to the candidacy of any other candidate for elective City office or in support of or in opposition to any City ballot measure. (Amended, 1990.)

12. No candidate shall expend or contribute more than $30,000 in personal funds in connection with his or her campaign for elective City office unless and until the following conditions are met. (Amended, 1987.)

(1) Notice of the candidate's intent to so expend or contribute shall be provided by registered mail to all opponents and

to the City Ethics Commission at least 30 days in advance of the election, specifying the amount intended to be expended or contributed; and (Amended, 1990.)

(2) All personal funds to be expended or contributed by the candidate in excess of $30,000 shall first be deposited in the candidate's campaign contribution checking account at least 30 days before the election. In making any distribution of unexpended contributions pursuant to Subsection K, such candidate shall be ineligible for a pro rata return of unexpended funds. (Amended 1987.)

Each opponent of any candidate who has complied with the above conditions shall be permitted to solicit and receive, and contributors to each such opponent may make, contributions in excess of the limitations established in Subdivision 5 and 6 of Subsection C until such opponent has raised contributions in amounts above such limits equal to the amount of personal funds deposited by the candidate in his or her campaign contribution checking account. (Amended, 1987.)

D. **Cash Contributions.**
No person shall make, and no candidate or committee shall solicit or accept, any cash contribution in excess of $25. (Amended, 1987.)

E. **Anonymous Contributions.**
Total anonymous contributions to a candidate or committee which exceed in the aggregate $200 with respect to a single election shall not be used by the candidate or committee for whom such contributions were intended, but instead, such excess shall be paid promptly to the City Treasurer for deposit in the General Fund of the City. (Added, 1985.)

F. **Adjustment of Limits.**
The amounts specified in Subsections C and D of this section may be modified from time to time by ordinance to reflect changes in the consumer price index for the Los Angeles-Long Beach metropolitan statistical area. (Added, 1985.)

G. **Campaign Contribution Checking Account.**
One campaign contribution checking account shall be established by each candidate for elective City office, and by each committee supporting or opposing such candidate, at an office of a bank or savings and loan institution located in the City of Los Angeles. Upon opening such account, the candidate shall file with the City

Ethics Commission on the next regular business day on which the office is open, the name of the bank or savings and loan institution and the account number. Funds shall only be disbursed from such account by checks signed by the candidate, treasurer or designated agent of the treasurer. A candidate, treasurer, or designated agent of the treasurer shall deposit into the campaign checking account all contributions received in connection with a City election. A candidate, treasurer or designated agent of the treasurer shall pay all campaign expenditures for a City election with monies from this campaign checking account. (Amended, 1990.)

If a candidate has other controlled committees and such committees have checking accounts, the candidate shall notify the City Ethics Commission in writing of these committees and the names and addresses of the banks or savings and loan institutions and the account numbers of any such accounts. A candidate shall notify the City Ethics Commission of these committees, the banks or savings and loan institutions, and the account numbers concurrent with the filing of the Declaration of Intent to Solicit and Receive Contributions. If committees are thereafter formed or accounts thereafter opened, then the candidate shall notify the City Ethics Commission on the next regular business day on which the office is open. No contribution shall be commingled with the personal funds of the candidate or any other person. (Amended, 1990.)

This subsection shall not prohibit the establishment of savings accounts or certificates of deposit, provided that no campaign expenditures may be made therefrom. (Amended, 1990.)

H. • Treasurer.

A candidate having campaign committees for elective City office shall appoint a treasurer of each committee. No expenditure shall be made by or on behalf of a committee without the authorization of the treasurer or that of his or her designated agents. No contribution or expenditure shall be accepted or made by or on behalf of a committee at a time when there is a vacancy in the office of treasurer. (Amended, 1987.)

The candidate and the treasurer shall sign and approve an authorization for payment by the treasurer or treasurer's designated agent of any campaign expenditure over $1,000 on a form prescribed by the City Ethics Commission. It shall be the duty of the candidate and the treasurer to approve and authorize such payments and to retain such authorizations, detailed accounts, records, bills and receipts. (Amended, 1990.)

I. **Accountability.**

Every candidate or committee establishing a campaign contribution checking account pursuant to this section shall make available on demand to any public officer having legal authority to enforce this section, the details of any such checking account requested by such officer and the records supporting such details. Every candidate shall make available on demand to any public officer having legal authority to enforce this section, details of checking and financial accounts of other committees controlled by the candidate and the records supporting such details. (Amended, 1987.)

The candidate and the treasurer shall maintain such detailed accounts, records, bills and receipts as are necessary to prepare campaign statements. The candidate and the treasurer shall retain the detailed accounts, records, bills and receipts for the periods specified in the Political Reform Act of 1974 as amended. A candidate shall make available such records on demand of any public officer having legal authority to enforce this section. (Added, 1987.)

J. **Petty Cash Fund.**

Subsection G notwithstanding, a candidate, campaign treasurer and other designated agents authorized to issue checks on a campaign contribution checking account may disburse to the candidate or committee establishing the checking account an amount not greater than $50 per week to be used for petty cash purposes by the candidate or committee. (Amended, 1987.)

K. **Unexpended Contributions.**

If a candidate cancels his or her Declaration of Intent to Solicit and Receive Contributions for a particular office, ceases to be a candidate or fails to qualify under the provisions of the Charter for an office for which contributions have been solicited or accepted, or if there remains a balance in the campaign checking account of the candidate or committee after the date of the election in which said candidate appeared on the ballot, all unexpended funds in excess of $5,000 remaining in the account shall be returned on a pro rata basis to those who have made said contributions, or shall be paid promptly to the City Treasurer for deposit to the General Fund of the City, or be donated to one or more charitable organizations qualifying for federal income tax exemption. A maximum of $5,000 in unexpended funds may be retained by a candidate or committee and may be used for any political purpose or other lawful use, but may not be used in connection with any future election for elective City office. (Amended, 1987.)

L. Assumed Name Contributions.

No contribution shall be made, directly or indirectly, by any person or combination of persons, acting jointly in a name other than the name by which they are identified for legal purposes, nor in the name of another person or combination of persons. No person shall make a contribution in his, her or its name of anything belonging to another person or received from another person on the condition that it be used as a contribution. In the event it is discovered by a candidate or committee treasurer that a contribution has been received in violation of this subsection, the candidate or treasurer shall promptly pay the amount received in violation of this subsection to the City Treasurer for deposit in the General Fund of the City. (Amended, 1987.)

M. Campaign Expenditures – Uncontrolled by Candidate or Committee.

Persons or organizations not subject to the control of a candidate or committee but who make independent expenditures for or against a candidate or committee shall indicate clearly on any material published, displayed or broadcast that it was not authorized by a candidate or a committee controlled by a candidate. (Amended, 1987.)

N. Suppliers of Goods and Services – Disclosure of Records Required.

No person who supplies goods or services or both goods and services to a candidate or committee for use in connection with the campaign for an elective City office shall knowingly refuse to divulge or disclose to the City Ethics Commission or to any public officer having legal authority to enforce this section, the details and the records supporting such details of any expenditures made by the candidate or committee in payment for such goods or services or both. (Amended, 1990.)

O. Duties of City Ethics Commission.

The City Ethics Commission shall administer the provisions of this section. In addition to other duties required of the City Ethics Commission under the terms of this section, the City Ethics Commission shall: (Amended, 1990.)

(a) Supply appropriate forms and manuals prescribed by the California Fair Political Practices Commission. These forms and manuals shall be furnished to all candidates and committees, and to all other persons required to file reports.

(b) Determine whether required documents have been filed and, if so, whether they conform on their face with the requirement of this section and state law.

(c) Notify promptly all persons and known committees who have failed to file a document in the form and at the time required by state law.

(d) Report apparent violations of this section and applicable state law to the City Attorney.

(e) Compile and maintain a current list of all statements or parts of statements filed with the City Ethics Commission pertaining to each candidate and each measure. (Amended, 1990.)

(f) Conduct audits and investigations of reports and statements filed by candidates and committees supporting or opposing candidates for City offices as required under both the Political Reform Act of 1974 as amended and this section. The City Ethics Commission shall employ investigators where necessary to fully investigate candidate spending and reporting. (Amended, 1990.)

(g) Enforce or cause to be enforced the provisions of this section pursuant to Subdivision (c) of Section 90002 of the Government Code. The City Ethics Commission may subpoena witnesses, compel their attendance and testimony, administer oaths and affirmations, take evidence and require by subpoena the production of any books, papers, records or other items necessary to the audit and investigation of candidates for election to City office. (Amended, 1990.)

P. **Enforcement.**

1. **Criminal Enforcement** – Any person who knowingly or willfully violates any provisions of this section is guilty of a misdemeanor. Any person who causes any other person to violate any provision of this section, or who aids and abets any other person in the violation of any provision of this section, shall be liable under the provisions of this section. Prosecution for violation of any provision of this section must be commenced within two years after the date on which the violation occurred.

2. **Civil Enforcement.**

(a). Any person who intentionally or negligently violates any provision of this section shall be liable in a civil action brought by the City Attorney or by a person residing within the City. Where no specific civil penalty is provided, a person may be liable for an amount up to two thousand dollars for each violation.

(b). Any person who intentionally or negligently makes or receives a contribution, or makes an expenditure, in violation of any provision of this section shall be liable in a civil action brought by the City Attorney or by a person residing within the City for an amount up to three times the amount of the unlawful contribution or expenditure.

(c). If two or more persons are responsible for any violation, they shall be jointly and severally liable.

(d). Any person, before filing a civil action pursuant to this subdivision, must first file with the City Attorney a written request for the City Attorney to commence the action. The request shall contain a statement of the grounds for believing a cause of action exists. The City Attorney shall respond within forty days after receipt of the request, indicating whether the City Attorney intends to file a civil action. If the City Attorney indicates in the affirmative, and files suit within forty days thereafter, no other action may be brought unless the action brought by the City Attorney is dismissed without prejudice.

(e). Not more than one judgment on the merits with respect to any violation may be obtained under this subdivision. Actions brought for the same violation or violations shall have precedence for purposes of trial in the order of the time filed. Such actions shall be dismissed once judgment has been entered or a settlement approved by the court in a previously filed action. The court may dismiss a pending action without prejudice to any other action for failure of the plaintiff to proceed diligently and in good faith. The action may be so dismissed on motion by the City Attorney or any plaintiff in an action based on the same violation.

(f). In determining the amount of liability under this subdivision, the court may take into account the seriousness of the violation and the degree of culpability of the defendant.

(g).

(1) No civil action alleging a violation of Subsection C of this section, in connection with a contribution or expenditure shall be filed more than four years after an audit could begin as set forth in the Political Reform Act of 1974 as amended.

(2) No civil action alleging a violation of any provisions of this section other than Subsection C of this section shall be filed more than four years after the date the violation. (Subsec. P, Amended, 1987.)

Q. **Effect of Violation on Outcome of Election.**

1. If a candidate is convicted of a misdemeanor violation of any provision of this section, the court shall make a determination as to whether the violation had a material effect on the outcome of the election. If the court finds such a material effect, then: (Amended, 1987.)

(a) if such conviction becomes final before the date of the election, the votes for such candidate shall not be counted, and the election shall be determined on the basis of the votes cast for the other candidates in that race; (Amended, 1987.)

(b) if such conviction becomes final after the date of the election, and if such candidate was declared to have been elected, then such candidate shall not assume office, the office shall be deemed vacant and shall be filled as otherwise provided in this Charter. (Amended, 1987.)

(c) if such conviction becomes final after the candidate has assumed office, then the candidate shall be removed from office, the office shall be deemed vacant and shall be filled as otherwise provided in this Charter. (Amended, 1987.)

(d) the person so convicted shall be ineligible to hold any elective City office for a period of five (5) years after the date of such conviction. (Amended, 1987.)

2. The City Clerk shall not issue any certificate of nomination or election to any candidate until his or her pre-election campaign statements required by the Political Reform Act of 1974, as amended, or, if no campaign statement is required, the written declaration permitted under Section 84205 of the Government

Code, have been filed in the form and at the place required by the Political Reform Act of 1974. (Added, 1985.)

R. **Verification.**

All declarations, reports and statements filed under this section shall be signed and verified by the filer under penalty of perjury. The candidate and any person signing declarations, reports and statements under this provision shall read, know and understand the contents of all such declarations, reports and statements. (Amended, 1987.)

S. **Injunction.**

The City Attorney on behalf of the people of the City of Los Angeles or any person residing in the City of Los Angeles may sue for injunctive relief to enjoin violations or to compel compliance with the provisions of this section. The Court may award a plaintiff or defendant who prevails his or her costs of litigation, including reasonable attorney's fees; provided, however, that no such award may be granted against the City of Los Angeles. (Amended, 1987.)

T. **Operative Date.**

This section shall become operative on and shall apply to all contributions received on and after July 1, 1985. Contributions received prior to July 1,1985, may be used only for: (Amended, 1987.)

1. the payment of expenses incurred prior to July 1, 1985, in connection with a City election held prior to that date; (Added, 1985.)

2. the payment of expenses incurred in connection with the City's primary nominating election and general municipal election held in 1987; (Added, 1985.)

3. any other political or other lawful purpose other than an election for elective City office. (Added, 1985.)

U. **Severability.**

If any provision or portion of this section is for any reason held to be invalid or unconstitutional by the decision of any court, such decision shall not affect the remaining portions of this section. (Amended, 1987.)

Sec. 313. Public Matching Funds and Campaign Expenditure Limitations.

A. **Findings and Purposes.**

1. Monetary contributions to political campaigns are a legitimate form of participation in the American political process, but the financial strength of certain individuals or organizations should not permit them to exercise a disproportionate or controlling influence on the election of candidates.

2. Therefore, this section is enacted to accomplish the following purposes:

(a) To assist serious candidates in raising enough money to communicate their views and positions adequately to the public without excessive expenditures or contributions, thereby promoting public discussion of the important issues involved in political campaigns.

(b) To limit overall expenditures in campaigns, thereby reducing the pressure on candidates to raise large campaign funds for defensive purposes, beyond the amount necessary to communicate reasonably with voters.

(c) To provide a source of campaign financing in the form of limited public matching funds.

(d) To substantially restrict fund-raising in non-election years.

(e) To increase the value to candidates of smaller contributions.

(f) To reduce the excessive fund-raising advantage of incumbents and thus encourage competition for elective office.

(g) To help restore public trust in governmental and electoral institutions.

B. **Matching Funds and Expenditure Limitations Authorization.**

The City shall also adopt by ordinance limitations on campaign expenditures by candidates for elective City office who qualify

for and accept public matching funds. The City shall adopt by ordinance regulations concerning the use of public funds to partially finance campaigns for elective City office through a system of matching public funds for qualifying campaign contributions. Such ordinances may be amended to further the purposes of this section of the Charter.

C. Appropriation of Funds.

1. The City Council shall appropriate $2,000,000 per fiscal year for public matching funds, subject to the limitations in Subdivision 2, below. The Council shall immediately appropriate said funds upon the effective date of this section and shall thereafter appropriate such funds for each following fiscal year. The amount of such appropriation shall be adjusted for cost of living changes based on the percentage increase or decrease in the Consumer Price Index (for all items other than housing) for the Los Angeles-Long Beach metropolitan statistical area.

2. All such funds shall be appropriated into a trust fund established by the Council by ordinance with interest accruing to the fund. The amount in the trust fund shall not exceed $8,000,000 in any fiscal year, and the amount otherwise required herein to be appropriated annually to that fund shall be reduced by the amount estimated as necessary to comply with such limitation. Such amount shall be adjusted for cost of living changes based on the percentage increase or decrease in the Consumer Price Index (for all items other than housing) for the Los Angeles-Long Beach metropolitan statistical area.

3. If there are insufficient funds to provide the maximum matching funds available to a candidate in any election, as specified by ordinance, the limitations on total contributions from persons other than individuals imposed by Section 312 of this Charter shall not apply to any of the candidates for the same office.

4. The funds used to make payments for matching funds shall come exclusively from City sources of revenues.

D. Interim Funds.

Notwithstanding any other provisions of this Charter, any contributions received for a City campaign subsequent to the operative date of Charter Section 312, as originally adopted, and

before July 1, 1991, and which are not expended for costs incurred in a campaign for elective City office conducted prior to July 1, 1991, may only be expended as follows:

1. Returned on a pro rata basis to those who made said contributions.

2. Paid to the City Treasurer for deposit to the General Fund of the City.

3. Donated to one or more charitable organizations qualifying for federal income tax exemption.

This restriction shall not apply to funds held in legal expense funds and officeholder funds, nor to City elections held during 1991. (Sec. Added, 1990.)

Sec. 314.

Those Charter provisions adopted by the electorate on June 5, 1990 in the form of an added Subdivision 3 to Subsection B of Section 312, amendments to Subdivisions 1, 2, 3, 4, 5, 6 and 7, of Subsection C, to Section 312, amendments to Subdivision 9 of Subsection C, to Subdivision 11 of Subsection C, to Paragraph (l) of Subdivision 12 of Subsection C, to Subsection G, to the second unnumbered paragraph of Subsection H, to Subsections N and O of Charter Section 312, and the new Charter Section 313, shall become operative on July 1, 1991, except that Subdivisions 1 and 2 of Subsection C of said Charter Section 313 shall become operative upon acceptance and filing of the Charter Amendment by the Secretary of State. (Sec. Added, 1990.)

PRIMARY NOMINATING ELECTIONS

Sec. 315.

Candidates to be voted for at any general municipal election shall be nominated at a primary nominating election. No person shall be eligible to nomination for an elective office who is not a qualified elector of the City of Los Angeles at the time of such nomination; and no names shall be printed upon the ballot for such general election other than those selected in the manner in this article prescribed. (Added, 1925.)

Sec. 316.

A primary nominating election shall be held biennially, at which shall be nominated the candidates for the elective offices to be voted for at the general municipal election next ensuing. Whenever possible the officers of election who shall be appointed for the primary nominating election shall be the officers of election of such general municipal election, and such general municipal election shall be held at the same places as far as possible, and the polls shall be opened and closed at the same hours, as may be provided for primary nominating elections. All ballots, blanks and any other supplies to be used at any municipal election, and all expenses incurred in the preparation for or the conducting of such elections, shall be authorized by the City Clerk and be paid out of the Treasury of the City. (Amended, 1945)

Sec. 316.1. Candidate's Filing Fee.

The City Council may by ordinance provide for a filing fee or substitute therefor to be paid to the City Clerk by each candidate for elective office. (Amended, 1977.)

CITY OF LOS ANGELES

PUBLIC MATCHING FUNDS PROGRAM REGULATIONS

(Los Angeles Administrative Code Section 24.5 et seq.)

Prepared by the
Los Angeles City Ethics Commission
January 1993

CITY OF LOS ANGELES

PUBLIC MATCHING FUNDS PROGRAM REGULATIONS

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CHAPTER 3

PUBLIC MATCHING FUNDS

Sec. 24.5. Procedural Regulations for Administering the Public Matching Funds Program.

(a) **Scope.** This section sets forth the procedural requirements of the Los Angeles City Public Matching Funds Program.

(b) **Definitions.** The following terms used in this section and in Los Angeles Municipal Code Section 49.7.1, et seq., are defined below. Except as provided below, the definitions and provisions of the Political Reform Act of 1974, as amended, the regulations of the Fair Political Practices Commission, Los Angeles City Charter Sections 312 and 313, and Los Angeles Municipal Code Section 49.7.1, et seq. govern the interpretation of these regulations.

"**Authorized Agent**" means any individual named on the candidate's List of Campaign Officers and Authorized Agents filed pursuant to Charter Section 312 C 3 who possesses authority to receive contributions and make expenditures.

"**Commission**" means the City Ethics Commission or the staff of the Ethics Commission acting on the Commission's behalf.

"**Compliance Costs**" means costs incurred by a candidate's campaign committee that are directly incurred for purpose of complying with requirements of Charter Sections 312 and 313, Los Angeles Municipal Code Section 49.5.1, et seq., and this section. Such costs include, but are not limited to expenses for bookkeeping, accounting and legal services.

"**Debate**" means a debate officially sponsored or conducted by the Ethics Commission.

"**Fund**" means the Los Angeles City Public Matching Campaign Funds Trust Fund.

"**General Election**" means the City's general municipal or special runoff election.

"**Matchable Contributions**" means campaign contributions received by a candidate who has qualified for public matching funds that are eligible to be matched with public matching funds.

"**Participant**" means a candidate who has filed a Statement of Acceptance or Rejection of Matching Funds stating his or her intent to participate in the Matching Funds Program and who has met all eligibility requirements to receive public matching funds.

"**Primary Election**" means the City's primary nominating election and any special primary election.

"**Controlled Campaign Committee**" means the campaign committee authorized by the candidate on that candidate's Statement of Organization (California Fair Political Practices Commission Form 410) for the purpose of receiving contributions and making expenditures in connection with that candidate's election to the office specified on his or her current Declaration of Intent to Receive and Solicit Contributions.

"**Statement of Acceptance or Rejection of Matching Funds**" means the statement filed by a candidate with the Ethics Commission stating that candidate's intention to participate or decline participation in the City's public matching funds program.

"**Surplus Public Funds**" means, for a participant who received public matching funds, the amount of unspent public matching funds after the candidate has withdrawn his or her candidacy, or after an election and after expenditures incurred in that election have been paid, which surplus funds are to be repaid to the Matching Campaign Funds Trust Fund.

"**Qualified Campaign Expenditure**" means the following:

(1) Any expenditure made by a candidate for elective City office, or by a committee controlled by such a candidate, for the purpose of influencing or attempting to influence the action of the voters for or against the election of that candidate for elective City office;

(2) A non-monetary contribution received by the candidate, officeholder or committee controlled by the candidate or officeholder and used for any purpose described in Paragraph (1) of this definition;

(3) "**Qualified campaign expenditure**" does not include any payment if it is clear from the surrounding circumstances that it was not made in any part for political purposes.

"**Treasurer**" means the treasurer of the candidate's controlled campaign committee as named on the candidate's List of Campaign Officers and Authorized Agents and on the candidate's California Fair Political Practices Commission Statement of Organization Form 410.

(c) **Statement of Acceptance or Rejection of Matching Funds.**

(1) Regardless of whether a candidate elects to accept public matching funds, each candidate for elective City office must submit a Statement of Acceptance or Rejection of Matching Funds, as required by Los Angeles Municipal Code Section 49.7.18 at the time that candidate files his or her Declaration of Intent to Become a Candidate pursuant to City Elections Code Section 321. Each candidate must provide the following information on his or her Statement of Acceptance or Rejection of Matching Funds:

(A) the candidate's name, business address, and telephone number at which the candidate can be reached during regular business hours;

(B) the office the candidate is seeking;

(C) the election for which the statement is filed;

(D) whether or not the candidate elects to accept public matching funds.

(2) Each candidate who elects to accept matching funds must also certify the following on his or her Statement of Acceptance or Rejection of Matching Funds:

(A) that he or she understands the requirements set forth in the City's Campaign Finance Ordinance (Los Angeles Municipal Code Section 49.7.1, et seq.) and understands that those requirements must be satisfied before the candidate may receive public funds; and

(B) that he or she agrees to participate in at least one debate sponsored or conducted by the Commission with his or her opponent(s) in the primary election and two debates sponsored or conducted by the Commission with his or her opponent in the general election, if applicable; and

(C) that the candidate has not made and agrees not to make any expenditures in excess of the expenditure limits of Los Angeles Municipal Code Section 49.7.13 unless those limits have been lifted as provided in Los Angeles Municipal Code Section 49.7.14; and

(D) that the candidate has not used and agrees not to use any personal funds for the election in excess of the applicable limits of Los Angeles Municipal Code Section 49.7.19 A 3; and

(E) that if the candidate chooses to withdraw from participation in the matching funds program, he or she must do so within 7 days after the final filing date for filing a Declaration of Intention to Become a Candidate and only if another candidate for the same office rejects matching funds.

(3) Each Statement of Acceptance or Rejection must be signed by the candidate and verified under penalty of perjury.

(4) Any candidate who fails to file a Statement of Acceptance or Rejection of Matching Funds at the time that candidate files his or her Statement of Declaration of Intent to Become a Candidate may not participate in the Matching Funds Program.

(5) Any candidate who files a statement electing to receive public matching funds and who then elects to decline matching funds within seven days after the final filing date for filing a Declaration of Intent to Become a Candidate must provide a written notice to that effect. That notice shall be signed by the candidate and received by the Commission by 5:00 p.m. of the last day to withdraw from participation in the matching funds program.

(d) Commission Determination of Eligibility.

(1) No payments from the Fund shall be made to a participant unless the Commission staff has determined that the candidate has met all eligibility requirements contained in Los Angeles Municipal Code Section 49.7.1, et seq. and these regulations.

(2) The Commission staff will notify the participant as to whether or not it determines that the candidate is eligible to receive public matching funds. Such notice shall be signed by the Executive Officer or by another Commission staff member authorized by the Executive Officer to do so.

(e) **Participant Qualification For Ballot.**

(1) Any candidate who filed a Statement of Acceptance or Rejection of Matching Funds electing to participate in the Matching Funds Program who fails to qualify to have his or her name appear on the ballot or is not eligible to have write-in votes counted may not receive matching funds.

(2) Any matching funds program participant who initially qualifies for the ballot but who is later disqualified from the ballot will be suspended from the Matching Funds Program at the time of that disqualification and will be ineligible to receive additional public matching funds. A disqualified participant will not be eligible to receive matching funds unless and until such time that the participant's disqualification is restored.

(3) If a participant is disqualified from the ballot after receiving public matching funds, the participant may not thereafter spend public funds in his or her possession for any purpose other than the payment of qualified campaign expenditures incurred before the date of that participant's disqualification. All public funds in excess of such expenditures must be repaid to the Commission within 10 days of the date of the participant's disqualification.

(f) **Payments for an Election.**

(1) A participant may submit a matching fund payment request as soon as the total amount claimed reaches $10,000 or more until fourteen days preceding an election, at which time a participant may submit requests for payments of $1,000 or more. Payments will be disbursed and available for receipt within three working days after receipt by the Commission. The Commission, however, will issue no matching funds payment to any participant in a primary election any earlier than the day the City Clerk certifies that the candidate's name will appear on the primary nominating ballot or that the candidate has qualified to have write-in votes counted.

(2) No public matching fund payment will be issued to a participant in a runoff or general election any earlier than the day the City Clerk certifies that the candidate's name will appear on the general election ballot. Upon certification for the general election, each participating candidate will receive one-sixth of the

amount of funds specified by Los Angeles Municipal Code Section 49.7.22, not subject to the matching funds requirements detailed in Los Angeles Municipal Code Section 49.7.20.

(3) No request for public matching funds will be accepted by the Commission any later than 90 days after an election.

(4) The Ethics Commission will issue a Matching Funds Payment Authorization Letter with supporting documents to the City Controller's Office certifying the amount of the matching funds payable to a participant. The Controller's Office will issue all such payments through the Paymaster's Office only to Ethics Commission staff. All checks issued pursuant to Authorization letters received by the Controller's Office by 2:00 p.m. on Monday through Friday will be available to Commission staff by noon of the next working day. Checks issued pursuant to Authorization Letters that are received after 2:00 p.m. on Friday will be available for Commission staff by noon on the following Tuesday. Matching fund payments will be disbursed at the Ethics Commission Office after 2:00 p.m. on the day such payments are issued from the Controller's Office.

(g) **Allocation of Matching Funds.**

(1) No later than 7 days after the final day to decline participation in the matching funds program, the City Ethics Commission shall determine at a public meeting of the Commission whether, based on the number of participating candidates, the amount of money in the Fund is adequate to provide the maximum matching funds to the participants. If the Commission determines that the Fund may not be adequate it will approve a method for disbursing the funds on a pro rata basis consistent with the following principles:

(A) The Commission will establish lower maximum amounts of public matching funds available to each participant rather than changing the matching funds formula.

(B) A portion of the Fund will be reserved for disbursement in the general or runoff election.

In addition, no later than two weeks before the primary election, the City Ethics Commission at a public meeting of the Commission shall review the balance of the Fund. The Commission may adjust its previous estimates and raise the maximum amount of public matching funds available to participants. In no case, however, will the amount disbursed to the participants exceed the maximum amounts established in Los Angeles Municipal Code Section 49.7.22A.

(2) No later than 7 days after the day the City Clerk certifies the candidates whose names will appear on the general election ballot, the City Ethics Commission shall determine at a public meeting of the Commission whether, based on the number of participating candidates, the amount of money in the Fund is adequate to provide the maximum matching funds to the participants. If the Commission determines that the Fund may not be adequate it will approve a method for disbursing the funds on a pro rata basis consistent with the following principle:

(A) The Commission will establish lower maximum amounts of public matching funds available to each participant rather than changing the matching funds formula.

(3) These actions shall be approved by the Commission by resolution and shall not require the adoption of a regulation.

(h) Requesting Matching Funds Payments.

(1) The Commission staff will review matching fund claim forms and, based on the review, the Executive Officer (or in his or her absence, the Deputy Director) shall certify the amount of matching funds payable to a participant filing a claim form. Copies of each certification shall be sent to the participant and to the Controller.

(2) Upon certification of the amount of matching funds payable, the Commission staff will request the Controller to issue a matching funds payment in the amount certified. Payments will be drawn from the Matching Funds Campaign Trust Fund, made payable to the candidate, and returned to the Commission for distribution.

(3) The Commission staff will release matching fund payments only to a participating candidate, or to that candidate's treasurer or authorized agent displaying proper identification, within three working days after the Commission receives the request for payment as required by Los Angeles Municipal Code Section 49.7.23, set forth in Subsections (f)(1) and (2) above.

(4) Any candidate receiving a public matching funds payment, or any authorized agent receiving such a payment on the candidate's behalf, must sign a Matching Funds Payment Report on the date which he or she receives that payment. No matching fund payment will be issued without the signature of the candidate or the candidate's authorized agent on the report. Each Matching Funds Payment Report will contain the following information:

(A) the name of the participant;

(B) the office the participant is seeking;

(C) the date the Commission received the matching funds payment from the Controller;

(D) the amount of the certified matching funds payment;

(E) the name of the individual receiving the payment;

(F) the signature of the candidate or authorized agent receiving the payment;

(G) the date the individual received the payment; and

(H) a summary of all matching funds payments issued to the candidate to date.

(i) **Matching Funds Claim Form.**

(1) To request matching fund payments, a participant in the matching funds program must file a Matching Funds Claim Form with the Commission, containing the following information:

(A) the participant's name, business address, and telephone number at which the participant may be reached during regular business hours;

(B) the office the participant is seeking;

(C) the election for which the Matching Funds Claim Form is filed;

(D) the name and identification number of the participant's controlled committee;

(E) the date of the claim; and
(F) the total amount of matching funds claimed.

(2) **Matchable Contributions List.** Each participant must submit with his or her Matching Funds Claim Form the following detailed information regarding each contribution for which the candidate requests public matching funds:

(A) contributor's name;
(B) contributor's street address;
(C) contributor's occupation;
(D) contributor's employer;
(E) date of contribution;
(F) amount of contribution to be matched; and
(G) cumulative amount of contributions by the contributor to the candidate for the election in which the candidate is requesting the information.

(3) The participant must attach to the Matching Funds Claim Form a true and correct copy of each contributor check for which the participant requests matching funds. Participants may, at their discretion, provide copies of checks that omit any contributor information that is not required to be disclosed under Subsection (i)(2) above.

(4) Both the candidate and treasurer must sign each Matching Fund Claim Form and must verify under penalty of perjury that it and all supporting documents are true and complete to the best of their knowledge, information and belief. The Commission will not accept any unverified claim forms.

(5) The Commission will not accept illegible matching fund claims or supporting documents. The Commission will not accept any claims or supporting documents that contain information in other than ink.

(j) **Expenditure Reporting.**

(1) All expenditures made by a participant or by his or her authorized campaign committee in connection with his or her election to elective City Office are subject to the expenditure limits applicable under Los Angeles Municipal Code Section 49.7.13 A through D.

(5) Each participant who is certified to have his or her name appear on the general or runoff election ballot shall also file Certification of Expenditures Made form that discloses all expenditures since the previous reporting period and covering the same reporting period for reports required to be filed on the following dates by state and City law:

Type of Statement	Filing Deadline
1st Pre-Runoff Report	12 days before the runoff election
2nd Pre-Runoff Report	Friday before the runoff election
2nd Semi-Annual Report	July 31

(k) Payment Is Not Final Determination.
A payment of public matching funds does not constitute the Commission's final determination of the amount for which a participant may qualify.

(l) Returned Contributions Are Not Matchable.
A matchable contribution may not be claimed for any portion of a contribution that is returned to or not paid by the contributor. A request for matching funds that includes a claim for matching any contribution that was returned or not paid will be reduced by the amount returned or not paid.

(m) Improper Use of Public Matching Funds.
The expenditure of public matching funds on other than qualified campaign expenditures shall constitute a misappropriation of these funds and shall constitute a violation of this section.

(n) Additional Reviews and Post-Payment Audits.

(1) The Commission staff's eligibility and payment determinations are subject to post-payment audits and readjustment pursuant to the audit requirements otherwise established in Los Angeles Administrative Code Section 20.49.

(2) To determine the participant's compliance with the applicable expenditure limit, each participant must disclose to the Ethics Commission on a Certification of Expenditures Made (Form CEC 24) the following information:

(A) the date, amount and purpose of the qualified campaign expenditure;
(B) the date, amount and specific purpose of the compliance cost;
(C) the name and full address of each payee or creditor of each unpaid obligation incurred;
(D) total qualified campaign expenditures made for the period;
(E) total qualified campaign expenditures made to date;
(F) total compliance costs incurred for the period; and
(G) total compliance costs incurred to date.

(3) Each participant must submit his or her first Certification of Expenditures Made report 10 days after the first day that he or she may file nominating petitions for elective City office and must disclose all expenditures made for that elective City office up to but not including the first day that he or she may file such nominating petitions.

(4) Each participant shall thereafter file a Certification of Expenditures Made disclosing all expenditures since the previous reporting period and covering the same reporting period for reports required to be filed on the following dates by state and City law:

Type of Statement	Filing Deadline
1st Pre-election Report	40 days before the primary election
2nd Pre-election Report	12 days before the primary election
3rd Pre-election Report	Friday before the primary election
2nd Semi-annual Report	July 31

(2) Upon amendment of any matching funds claim submitted by a participant, or on additional review by the Commission staff, the Commission staff may notify the participant that he or she qualifies for additional matching funds.

(3) Upon such amendment or additional review, the Commission staff may notify the participant that he or she received funds in excess of those eligible to be matched. In any such instance, the participant must refund the amount to the Ethics Commission within 10 days of such notice, or subsequent payments will be reduced by the amount of the overpayment. Candidates who do not refund public funds as may be required are subject to legal action for collection of public matching funds.

(o) **Matching Fund Claim Amendments.**

(1) A participant may amend a previously submitted matching fund claim and any supporting documentation that accompanied that claim. The amendment must state the reason why an amendment is necessary and must itemize the data amended.

(2) Commission staff will review each amendment to determine whether an adjustment in the matching fund payments to the participant is necessary.

(3) Any supplementary matching fund payment that may be necessary pursuant to an amendment will be disbursed within three working days after submission of the amendment and all supporting documentation required by the Commission.

(4) The Commission will accept only amended claim forms that conform to the requirements of Subsection (i) of this section.

(p) **Request for Review.**

If the Commission staff determines that a candidate is ineligible to receive public matching funds or that any matching funds claimed by a participant are not payable, in whole or in part, the participant may submit to the Commission Executive Officer a written request for review of the determination. The request shall set forth in writing the reasons why the candidate believes that he or she is eligible or that a different amount of funds should be paid. The Executive Officer will review the request for payment and issue a determination within two working days.

(q) **Repayment of Public Matching Funds.**

(1) The Commission staff will notify a participant in writing if he or she must repay any public funds.

(2) Participants returning public funds may return a full uncashed payment to the City Ethics Commission for deposit into the City's Public Matching Funds Trust Fund. A participant who returns any uncashed portion of a matching fund payment must make a check payable to the City Ethics Commission for deposit in the City's Public Matching Funds Trust Fund.

(3) **Disqualification Due to Fraudulent Acts.** A participant who has been disqualified from the ballot on the grounds that he or she committed fraudulent acts in order to obtain a place on the ballot, must reimburse the Commission in an amount equal to the total public matching funds paid to the participant. Payments required pursuant to this paragraph must be made within 10 days after the participant is disqualified.

(r) **Surplus Public Funds.**

(1) A participant must pay to the Commission any surplus public matching funds remaining in the participant's possession no later than 30 days after the election or, if the candidate withdraws from the election, no later than 10 days after the participant withdraws his or her candidacy.

(s) **Recordkeeping Requirements.**

(1) Nothing in this section shall be construed to modify any existing requirements otherwise established by law.

(2) **Audits and Reviews.** Statements and forms filed pursuant to requirements of the Matching Funds Program are subject to desk and field audits by the Commission as authorized under Section 600 of the City Charter.

(3) **Best Efforts.** The participant must use his or her best efforts to obtain, maintain and, if requested, submit to the Commission the required information and shall keep a complete record of such efforts. With regard to the recordkeeping requirements for receipts, bills, and bank records, the participant will not be considered to have exercised best efforts unless he or she has made at least one written effort per transaction to obtain the documentation.

(4) **Four-Year Retention Period.** The participant must retain all records and documents required to be kept under Government Code Section 91011 for four years after the date of the last election to which the records or documents relate.

(5) **Custodian and Location.** A participant must notify the Commission in writing of any person other than the treasurer who is the custodian for the participant's records. In addition, the participant must notify the Commission in writing of the location of those records and documents and of any change of address.

(t) Failure to Comply.

The failure of a participant, controlled committee of a participant or campaign treasurer to comply with the provisions of this section, and the failure of such person to provide full and accurate information required by this section, is unlawful, constitutes a violation of this section and is subject to the penalties and remedies set forth in Los Angeles City Charter Section 600 (O) and Los Angeles Municipal Code Section 49.7.28.

SECTION HISTORY

Added by Ord. No. 168,501, Eff. 2-4-93.

CONFLICT OF INTERESTS CODE - CITY OF LOS ANGELES

AGENCY:

Pursuant to the provisions of Government Code Sections 87300 et seq., the _____ of the City of Los Angeles hereby adopts the following Conflict of Interest Code.

Section 100

"Decision" means a determination, involving the use of discretion, which constitutes official action or inaction.

Section 101

A. A public official "makes a governmental decision," except as provided in Subsection D., when, acting within the authority of his or her office, he or she:

(1) Votes on a matter;

(2) Appoints a person;

(3) Obligates or commits his or her agency to any course of action or inaction;

(4) Enters into any contractual agreement on behalf of his or her agency;

(5) Determines not to act within the meaning of subdivisions (1), (2), (3) and (4), except when such determination consists of a voluntary disqualification under this Code. When the determination not to act consists of a voluntary disqualification, the official's determination must be accompanied by disclosure of the financial interest, made part of the agency's official record or made in writing to the official's supervisor, appointing power or any other person specified in a conflict of interest code adopted pursuant ' Government Code Section 87300.

B. A public official "participates in the making of a governmental decision" when acting within the authority of his or her position, he or she:

(1) Negotiates, without significant substantive review, with a governmental entity or private person regarding the decision; or

(2) Advises or makes recommendations to the decision-maker, either directly or without significant intervening substantive review, by:

(a) Conducting research or making any investigation which requires the exercise of judgment on the part of the official and the purpose of which is to influence the decision; or

(b) Preparing or presenting any report, analysis or opinion, orally or in writing, which requires the exercise of judgment on the part of the official and the purpose of which is to influence the decision.

C. A public official attempts "to use his or her official position to influence a governmental decision" when he or she furthers or attempts to affect in any way any decision in a manner as set forth in the applicable regulations of the Fair Political Practices Commission.

D. The making, participating in the making of or attempting in any way to use one's position to influence a governmental decision, as defined in the preceding subsections, shall not include:

(1) Actions of a public official which are solely ministerial, secretarial, manual, or clerical;

(2) Appearances by a public official as a member of the general public before a public official, board or commission to represent himself or herself on matters related solely to his or her personal interests, so long as the public official discloses the interest at the time of the appearance; or

(3) Actions by public officials, employees, or employee representatives relating to their compensation or the terms or conditions of their employment or contract.

Section 102

A public official has a "financial interest" in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the public official, or member of his or her immediate family or on:

A. Any business entity in which the public official has a direct or indirect investment worth more than one thousand dollars ($1,000) or more; or

B. Any real property in which the public official has a direct or indirect interest worth more than one thousand dollars ($1,000); or

C. Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of

business on terms available to the public without regard to official status, aggregating two hundred fifty dollars ($250) or more in value provided to, received by or promised to the public official within twelve months prior to the time when the decision is made;

D. Any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management; or

E. Any donor or, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars ($250) or more in value provided to, received by, or promised to the public official within 12 month prior to the time when the decision is made.

For purposes of this section, indirect investment or interest means any investment or interest owned by the spouse or dependent child of a public official, by an agent on behalf of a public official, his or her agents, spouse and dependent children own directly, indirectly, or beneficially a 10-percent interest or greater.

Section 103

Whether the financial effect of a governmental decision on a "financial interest" of a public official is "material," within the meaning of this Code, shall be based on applicable regulations of the Fair Political Practices Commission defining the term "Material Financial Effect."

Section 104

"Business entity" means any organization or enterprise operated for profit, including but not limited to a proprietorship, partnership, firm, business trust, joint venture, syndicate, corporation or association.

Section 105

A. "Gift" means, except as provided in Subsection (B), any payment to the extent that consideration of equal or greater value is not received and includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public without regard to official status. Any person, other than a defendant in a criminal action, who claims that a payment is not a gift by reason of receipt of consideration has the burden of proving that the consideration received is of equal or greater value.

B. The term "gift" does not include:

(1) Informational material such as books, reports, pamphlets, calendars or periodicals. No payment for travel or reimbursement for any expenses shall be deemed "informational material";

(2) Gifts which are not used and which, within 30 days after receipt, are returned to the donor or delivered to a charitable organization without being claimed as a charitable contribution for tax purposes, or otherwise disposed of in accordance with applicable regulations of the Fair Political Practices Commission;

(3) Gifts from an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin or the spouse of any such person; provided that a gift from any such person shall be considered a gift if the donor is acting as an agent or intermediary for any person not covered by this paragraph;

(4) Campaign contributions required to be reported under Chapter 4 of the Political Reform Act of 1974;

(5) Any devise or inheritance.

(6) Personalized plaques and trophies with an individual value of less than two hundred fifty dollars ($250).

C. No person shall make one or more gifts totalling fifty dollars ($50) or more in a calendar year on behalf of another, or while acting as the intermediary or agent of another to a person whom he knows or has reason to know may be required to disclose the gift pursuant to a conflict of interest code, without disclosing to the recipient of the gift both his own full name, street address, and business activity, if any, and the full name, street address, and business activity, if any, of the actual donor. The recipient of the gift shall include in his Statement of Economic Interests the full name, street address, and business activity, if any, of the intermediary or agent and the actual donor.

Section 106

"Immediate family" means the spouse and dependent children. Whenever disclosure of investments or interest in real property is required by this Code, investments and interest in real property of members of the immediate family shall also be disclosed.

Section 107

A. "Income" means, except as provided in Subsection (B), a payment received, including but not limited to any salary, wage, advance, dividend, interest, rent, proceeds from any sale, gift, including any gift of food or beverage, loan, forgiveness or payment of indebtedness received by the filer, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and including any community property interest in income of a spouse. Income also includes an outstanding loan. Income of an individual also includes a pro rata share of any income of any business entity or trust in which the individual or spouse owns, directly, indirectly or beneficially, a 10-percent interest or greater. "Income," other than a gift, does not include income received from any source outside the jurisdiction and not doing business within the jurisdiction, not planning to do business within the jurisdiction or not having done business within the jurisdiction during the two years prior to the time any statement or other action is required under this Code.

B. "Income" also does not include:

(1) Campaign contributions required to be reported under Chapter 4 of the Political Reform Act of 1974;

(2) Salary and reimbursement for expenses or per diem received from a state, local or federal government agency and reimbursement for travel expenses and per diem received from a bona fide educational, academic or charitable organization;

(3) Any devise or inheritance;

(4) Interest, dividends or premiums on a time or demand deposit in a financial institution, shares in a credit union or any insurance policy, payments received under any insurance policy, or any bond or other debt instrument issued by any government or government agency;

(5) Dividends, interest or any other return on a security which is registered with the Securities and Exchange Commission of the United States government;

(6) Redemption of a mutual fund;

(7) Alimony or child support payments;

(8) Any loan or loans from a commercial lending institution which are made in the lender's regular course of business on terms available to members of the public without regard to official status if:

(a) Used to purchase, refinance the purchase of, or for improvements to, the principal residence of filer; or

(b) The balance owed does not exceed ten thousand dollars ($10,000);

(9) Any loan from an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law,

brother-in-law, sister-in-law, nephew, niece, uncle, aunt, or first cousin or the spouse of any such person, provided that a loan from any such person shall be considered income if the lender is acting as an agent or intermediary for any person not covered by this paragraph;

(10) Any indebtedness created as part of a retail installment or credit card transaction if made in the lender's regular course of business on terms available to members of the public without regard to official status, so long as the balance owed to the creditor does not exceed ten thousand dollars ($10,000); or

(11) Payments received under a defined pension plan qualified under Internal Revenue Code Section 401(a).

Section 108

"Interest in real property" includes any leasehold, beneficial or ownership interest or an option to acquire such an interest in real property located in the jurisdiction owned directly, indirectly or beneficially by the public official or his or her immediate family if the fair market value of the interest is thousand dollars ($1,000) or more, provided that a leasehold interest does not include a lessee's interest in a lease on real property which expires within 10 years of the first day of the period covered by the filer's Statement of Economic Interests. Interests in real property of an individual include a pro rata share of interests in real property of any business entity or trust in which the individual or immediate family owns, directly, indirectly or beneficially, a 10 percent interest or greater.

Section 109

"Investment" means any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, options, debt instruments and any partnership or other ownership interest owned directly, indirectly or beneficially by the public official, or his or her immediate family, if the business entity or any parent, subsidiary

or otherwise related business entity has an interest in real property in the jurisdiction, or does business or plans to do business in the jurisdiction, or has done business within the jurisdiction at any time during the two years prior to the time any statement or other action is required under this Code. No asset shall be deemed an investment unless its fair market value equals or exceeds one thousand dollars ($1,000). The term "investment" does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, interest in a diversified mutual fund registered with the Securities and Exchange Commission under the Investment Company Act of 1940 or a common trust fund which is created pursuant to Section 1564 of the Financial Code, or any bond or other debt instrument issued by any government or government agency. Investments of an individual include a pro rata share of investments of any business entity, mutual fund, or trust in which the individual or immediate family owns, directly, indirectly or beneficially, a 10 percent interest or greater. The term "parent, subsidiary or otherwise related business entity" shall be specifically defined by regulations of the Fair Political Practices Commission.

Section 110

"Jurisdiction" means the City of Los Angeles. Real property shall be deemed to be "within the jurisdiction" if the property or any part of it is located within or not more than two miles outside the boundaries of the City of Los Angeles or within two miles of any land owned or used by the City of Los Angeles.

Section 111

"Person" means an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, association, committee, and any other organization or group of persons acting in concert.

Section 112

"Public Official" means every natural person who is a member, officer, employee (including the term "designated employee") or

consultant of a state or local government agency.

Section 113

A. "Reporting period," with respect to the first annual statement filed by a public official, means the period beginning on the date after the filing date of an initial statement pursuant to Section 400 A, B, or C, and ending on December 31 or on the date on which the public official leaves the agency, whichever occurs first.

B. "Reporting period," with respect to any subsequent annual statement, means the period starting on the date after the closing date of the previous annual statement, and ending on December 31, or on the date on which the public official leaves the agency, whichever occurs first.

C. A public official shall be deemed to have left the agency if he or she terminated a designated position without having assumed a new designated position with the agency on the same date.

Section 200 - Designated Positions

The positions listed in Schedule A are "designated positions." A person holding or appointed to a designated position is a "designated employee" and a "public official" as defined in Section 112 of this Code and is deemed to be in a position to make or participate in the making of governmental decisions which may foreseeably have a material effect on a "financial interest" of such person.

Section 201 - Notice to Designated Employee/Public official

Within five (5) days after the effective date of this Code, each public official shall be given notice of his or her designated position, together with a copy of this Code. Each person elected or appointed to a designated position after the effective date of this Code shall be given such notice and copy within five (5) days after assuming office. Failure to give timely notice shall not

constitute a violation of this Code.

Section 300 - Disclosure Statements

On Schedule A, each designated position is assigned a disclosure category on Schedule B. Each public official shall file an "annual statement" disclosing that official's investments, employment or management positions in relevant business entities, interests in real property, and income designated as reportable under the category of Schedule B to which such position is assigned on Schedule A. An "initial statement" shall disclose the public official's reportable investments and interests in real property held on the date of assuming office or the date on which he or she becomes a public official by reason of an amendment to this Code, whichever occurs last; the official's employment or management positions in relevant business entities; and the official's income received during the 12 months prior to assuming office, or prior to the effective date of this Code or an amendment to this Code, whichever applies. "Annual statements" shall disclose any and all reportable investments, interests in real property, employment and management positions and income received or held at any time during the preceding reporting period, whether or not they are still held at the time of filing.

Section 301 - Contents of Statements of Economic Interests - Investments and Interest in Real Property

When an investment, or an interest in real property, is required to be disclosed under this Code, the statement shall contain:

A. A statement of the nature of the investment or interest;

B. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;

C. The address or other precise location of the real property;

D. A statement whether the fair market value of the investment, or interest in real property, equals or exceeds one thousand

dollars ($1,000) but does not exceed ten thousand dollars ($10,000), whether it exceeds ten thousand dollars ($10,000), but does not exceed one hundred thousand dollars ($100,000), or whether it exceeds one hundred thousand dollars ($100,000);

E. If the investment or interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the date of acquisition or disposal;

F. For the purpose of disclosure statements filed pursuant to Section 300, an "interest in real property" does not include the principal residence of a public official or any other property which the public official utilizes exclusively as the personal residence of the public official.

Section 302 - Contents of Statements of Economic Interests - Income

A. When income is required to be reported under this Code, the statement shall contain, except as provided in Subsection B:

(1) The name and address of each source of income aggregating two hundred fifty dollars ($250) or more in value, or fifty dollars ($50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

(2) A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was at least two hundred fifty dollars ($250) but did not exceed one thousand dollars ($1,000), whether it was in excess of one thousand dollars ($1,000) but was not greater than ten thousand dollars ($10,000), or whether it was greater than ten thousand dollars ($10,000);

(3) A description of the consideration, if any, for which the income was received;

(4) In the case of a gift, the amount and the date on which the gift was received;

(5) In the case of a loan, the annual interest rate and the security, if any, given for the loan;

B. When the public official's pro rata share of income to a business entity, including income to a sole proprietorship, is required to be reported under this Code, the statement shall contain:

(1) The name, address, and a general description of the business activity of the business entity;

(2) The name of every person from whom the business entity received payments if the public official's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars ($10,000) during a calendar year.

Section 303 - Contents of Statements of Economic Interests - Position of Management

When employment or management positions in relevant business entities are required to be disclosed under this Code, the statement shall contain any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management.

Section 400 - Time of Filing Disclosure Statements

A. A person who is a public official on the effective date of this Code shall file an initial statement within thirty (30) days after the effective date of this Code.

B. All persons elected or appointed after the effective date of this Code shall file initial statements not more than thirty (30) days after assuming office.

C. A public official who is appointed to a Board of Commissioners or to the position of Executive Director, shall, within thirty (30) days after he or she assumes the new office, amend his or her most recent Statement of Economic Interest to disclose any investments or interests in real property held on the date of such transfer which are made reportable by the new disclosure category but which were not previously reported.

D. Annual statements shall be filed as follows:

(1) On or before April 1 with respect to statements filed by persons holding designated positions on December 31, of the preceding calendar year; or

(2) Within thirty (30) days after leaving the agency with respect to any persons who left the agency on any date prior to December 31.

(3) If any public official is elected or appointed to a designated position in a different disclosure category than the one to which his or her previous position was assigned, the next succeeding annual statement of such public official shall disclose all reportable interests required by those categories of Schedule B applicable to the respective designated positions held during the preceding reporting period; provided, however, that such interest shall be reported pursuant to each category only for the period during which each applicable designated position was held.

Section 401 - Place of Filing Disclosure Statements

Disclosure statements shall be filed with the _____, who shall make and retain a copy of each such statement and transmit the original to the City Ethics Commission.

Section 402 - Forms for Disclosure

Forms for disclosure statements shall be provided by the City Ethics Commission and shall be substantially identical to the form for Statement of Economic Interests issued by the Fair Political Practices Commission.

Section 500 - Disqualification

A. A public official must disqualify himself or herself from making, participating in the making, or using his or her official position to influence the making of any decision when it is reasonably foreseeable that the decision will have a "material financial effect," as derived by the applicable regulations of the Fair Political Practices Commission, which is distinguishable from its effect on the public generally, on a "financial interest" of the public official in the category of Schedule B to which his or her position is assigned. No public official shall be required to disqualify himself or herself with respect to any matter which could not be legally acted upon or decided without his or her participation.

B. A public official so disqualified shall notify the _____ _____ in writing of any apparent conflict, stating the nature of the decision to be made and conflicting interest of the employee.

C. Nothing herein shall relieve any person from complying with Section 28.1 of the Los Angeles City Charter or from any other applicable provision of law.

Section 600 - Penalties

Except as otherwise provided herein, a violation of any provision of the Code shall constitute a misdemeanor as provided in Government Code Section 91000 and shall be subject to such additional penalties as are specified in the Political Reform Act of 1974 (Government Code Sections 81000, et seq.)

Section 700 - Interpretation

Nothing contained herein is intended to modify or abridge the provisions of the Political Reform Act of 1974 (Government Code Section 81000 et seq.). This Code shall be interpreted in a manner consistent with the definitions and provisions of said Act and the regulations of the Fair Political Practices Commission. Any amendments to the Act or to the regulations, which affect the language of any provision of Sections 100 through 700 of this Code, shall be incorporated into the language of the affected section of this Code, without the need for formal amendment of this Code. Such incorporation shall be accomplished by the adoption by the City Council of a motion to reflect such changes in the language. The provisions of this Code are in addition to any other applicable provisions of state or local law.